Docket #0005 Date Filed: 1/27/2013

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
LodgeNet Interactive Corporation, *et al.*,[1]	:	**Case No. 13-_____ (___)**
	:	**(Joint Administration Requested)**
Debtors.	:	

DISCLOSURE STATEMENT FOR THE DEBTORS' PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

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and Debtors in Possession

Dated: January 4, 2013

[1] The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: LodgeNet Interactive Corporation (1161), LodgeNet StayOnline, Inc. (3232), On Command Corporation (5194), The Hotel Networks, Inc. (4919), On Command Video Corporation (8458), Puerto Rico Video Entertainment Corporation (6786), Virgin Islands Video Entertainment Corporation (6611), Spectradyne International, Inc. (9353), LodgeNet Healthcare, Inc. (0337), Hotel Digital Network Inc. (7245), and LodgeNet International, Inc. (2811).

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EXHIBITS

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I. OVERVIEW OF THE PLAN

A. Commencement of the Chapter 11 Cases

LodgeNet Interactive Corporation and its affiliated debtors in the above referenced cases (collectively, the "Debtors") intend to file voluntary petitions for the commencement of chapter 11 cases in order to implement the Plan of Reorganization of LodgeNet Interactive Corporation, et. al, under Chapter 11 of the Bankruptcy Code (the "Plan"), dated January 4, 2013. Capitalized terms used but not defined herein have the meaning ascribed to them in the Plan. In connection with this Disclosure Statement, the Debtors are soliciting the votes of holders of Prepetition Lender Claims in Class 2 under the Plan. As described in detail below, the deadline for the submission of votes on the Plan is February 4, 2013. In order to expedite the chapter 11 cases, the Debtors may commence the chapter 11 cases prior to the voting deadline.

B. Restructuring Transaction

On December 30, 2012, the Debtors entered into agreements to recapitalize and restructure the company as set forth in the Plan. The Plan represents the culmination of extensive negotiations between the Debtors, a steering committee representing the Prepetition Lenders and Colony Capital, LLC ("Colony Capital"). The steering committee of the lenders under the Debtors' Prepetition Credit Facility, who collectively hold approximately 44% of the Prepetition Lender Claims, have executed a Plan Support and Lock-Up Agreement pursuant to which they have agreed to support and vote in favor of the Plan.

On the Effective Date of the Plan, subject to the satisfaction or waiver of the conditions to closing set forth in the Investment Agreement, a group of investors led by an affiliate of Colony Capital will purchase 100% of the shares of New Common Stock in Reorganized LodgeNet Interactive for at least $60 million in the aggregate and will purchase warrants to purchase additional New Common Stock.

On or before the Effective Date, Reorganized LodgeNet Interactive will enter into the Exit Loan Agreement on the terms set forth in the Exit Term Loan Term Sheet and in a form otherwise acceptable to Purchaser Representative and the Requisite Consenting Lenders. The Exit Term Loans will be distributed pro rata to the holders of Prepetition Lender Claims in Class 2 of the Plan on account of (a) all outstanding principal and unpaid interest accruing under the Prepetition Credit Facility prior to the commencement of the chapter 11 cases, and (b) any interest that accrues on the Prepetition Credit Facility during the chapter 11 cases up to the earlier of the Effective Date or 90 days after the Petition Date, in each case at the non-default contract rate. Moreover, on the Effective Date, Reorganized LodgeNet Interactive also will enter into a Revolving Loan Agreement providing up to $20 million in available credit.

On or before the Effective Date, LodgeNet Interactive intends to enter into a new agreement with DIRECTV, LLC ("DIRECTV") that is in a form acceptable to the Debtors, DIRECTV and Colony Capital (the "DIRECTV Agreement") which will replace the current operating agreement between the Debtors and DIRECTV. DIRECTV's claim for amounts due

and payable by the Debtors as of the Petition Date will be Allowed and paid in accordance with a payment schedule agreed to by the parties.

C. Plan Summary

The Plan provides that holders of prepetition trade and other general unsecured claims will receive payment in full in cash on the later of the Effective Date, as soon as practicable following the date such General Unsecured Claim becomes an Allowed Claim, or such later date as agreed by such party.

LodgeNet Interactive's Series B Preferred Stock and common stock will be cancelled under the Plan and holders of these Interests will not receive any distributions thereunder.

The following table summarizes the treatment and estimated recovery for creditors and interest holders under the Plan. The classification of Claims and Interests described below will apply separately to each of the Debtors. For additional information, please refer to the discussion in Section V below, entitled "The Plan" and the Plan itself:

Class	Description	Entitled to Vote	Estimated Recovery
1	Priority Non-Tax Claims	No (deemed to accept)	100%
2	Prepetition Lender Claims	Yes	99.3%[2]
3	Other Secured Claims	No (deemed to accept)	100%
4	General Unsecured Claims	No (deemed to accept)	100%
5	Intercompany Claims	No (deemed to accept)	100%
6	Interests in Subsidiary Debtors	No (deemed to accept)	100%
7	Series B Preferred Interests	No (deemed to reject)	0%
8	Interests in LodgeNet Interactive	No (deemed to reject)	0%

[2] Between September 30, 2012 and the Petition Date, interest was accruing on the outstanding amounts under the Prepetition Credit Facility at the default rate set forth in the agreement however, the Plan provides that distributions to holders of Prepetition Lender Claims in Class 2 includes interest accrued at the non-default contract rate.

II. INTRODUCTION TO THE DISCLOSURE STATEMENT

A. Purpose of the Disclosure Statement

The Debtors submit this disclosure statement (the "Disclosure Statement") in connection with the solicitation (the "Solicitation") of acceptances of the Plan attached hereto as Exhibit "A". This Solicitation is being conducted to obtain sufficient acceptances of the Plan in connection with the filing of voluntary reorganization cases under chapter 11 of the Bankruptcy Code. Because chapter 11 cases have not yet been commenced, this Disclosure Statement has not been approved by the Bankruptcy Court as containing adequate information within the meaning of section 1125(a) of the Bankruptcy Code. Following the commencement of the chapter 11 cases, the Debtors expect to promptly seek an order of the Bankruptcy Court (1) approving this Disclosure Statement as containing adequate information, (2) approving the solicitation of votes as being in compliance with sections 1125 and 1126(b) of the Bankruptcy Code, and (iii) confirming the proposed Plan.

Accompanying this Disclosure Statement is a ballot (the "Ballot") (and return envelope) for voting to accept or reject the Plan. See Section IX below for a more detailed description of voting procedures and deadline.

This Disclosure Statement contains important information and holders of Prepetition Lender Claims are advised and encouraged to read this Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan, including, without limitation, the risk factors set forth in Section VIII of this Disclosure Statement.

The exhibits to this Disclosure Statement are incorporated as if fully set forth herein and are a part of this Disclosure Statement.

Documents filed with the SEC may contain additional information regarding the Debtors. Copies of any document filed with the SEC may be obtained by visiting the SEC website at http://www.sec.gov and performing a search under the "Filings & Forms (EDGAR)" link. Each of the following filings is incorporated as if fully set forth herein and is a part of this Disclosure Statement:

- Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC on March 15, 2012;
- Form 10-Q for the quarterly period ended March 31, 2012, filed with the SEC on May 9, 2012;
- Form 10-Q for the quarterly period ended June 30, 2010, filed with the SEC on August 8, 2012;
- Form 10-Q for the quarterly period ended September 30, 2012, filed with the SEC on November 9, 2012; and
- Forms 8-K filed with the SEC on November 28, 2012, December 17, 2012 and December 31, 2012 (including Forms 8-K/A).

B. Representations and Disclaimers

THIS SOLICITATION IS MADE ONLY TO HOLDERS OF DEBT UNDER THE PREPETITION CREDIT AGREEMENT (THE "CLASS 2 CLAIMS") FOR THE LIMITED PURPOSE OF SEEKING APPROVAL OF THE PLAN OF REORGANIZATION DESCRIBED HEREIN. THIS SOLICITATION IS NOT MADE TO ANY HOLDER OF ANY COMMON EQUITY, PREFERRED EQUITY OR OTHER SECURITY OF THE COMPANY AND IS NOT AN OFFER TO BUY OR SELL ANY SUCH SECURITY. NO HOLDER OF COMMON EQUITY OR PREFERRED EQUITY OF THE COMPANY IS ENTITLED TO VOTE ON THE PLAN OF REORGANIZATION DESCRIBED HEREIN. THIS DISCLOSURE STATEMENT WAS PREPARED SOLELY IN CONNECTION WITH THE SOLICITATION OF VOTES ON THE PLAN BY THE HOLDERS OF PREPETITION LENDER CLAIMS IN CLASS 2 OF THE PLAN. THE INFORMATION CONTAINED HEREIN IS NOT INTENDED TO BE USED OR RELIED ON BY ANY OTHER PERSON OR USED FOR ANY PURPOSE OTHER THAN THE CONSIDERATION OF THE PLAN BY HOLDERS OF PREPETITION LENDER CLAIMS IN CLASS 2 OF THE PLAN.

HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THE DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE AND SHOULD CONSULT WITH THEIR OWN ADVISORS BEFORE CASTING A VOTE WITH RESPECT TO THE PLAN.

THE NEW COMMON STOCK AND WARRANTS EXERCISABLE FOR SUCH NEW COMMON STOCK HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR SIMILAR STATE SECURITIES OR "BLUE SKY" LAWS. THE ISSUANCE OF SUCH SECURITIES UNDER THE PLAN IS BEING EFFECTED PURSUANT TO THE EXEMPTION UNDER SECTION 4(a)(2) OF THE SECURITIES ACT. THIS SOLICITATION IS BEING MADE ONLY TO THOSE CREDITORS WHO ARE ACCREDITED INVESTORS AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT.

NO SECURITIES ARE BEING OFFERED HEREBY. THE NEW COMMON STOCK AND WARRANTS EXERCISABLE FOR SUCH NEW COMMON STOCK TO BE ISSUED ON THE EFFECTIVE DATE HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY, AND NEITHER THE SEC NOR ANY SUCH AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS, ARE BASED ON ESTIMATES AND

ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN THIS DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

FURTHER, READERS ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS INCLUDING, BUT NOT LIMITED TO, RISKS ASSOCIATED WITH (I) FUTURE FINANCIAL RESULTS AND LIQUIDITY, INCLUDING THE ABILITY TO FINANCE OPERATIONS IN THE NORMAL COURSE, (II) VARIOUS FACTORS THAT MAY AFFECT THE VALUE OF THE NEW COMMON STOCK TO BE ISSUED UNDER THE PLAN, (III) THE RELATIONSHIPS WITH AND PAYMENT TERMS PROVIDED BY TRADE CREDITORS, (IV) ADDITIONAL FINANCING REQUIREMENTS POST-RESTRUCTURING, (V) FUTURE DISPOSITIONS AND ACQUISITIONS, (VI) THE EFFECT OF COMPETITIVE PRODUCTS, SERVICES OR PRICING BY COMPETITORS, (VII) THE PROPOSED RESTRUCTURING AND COSTS ASSOCIATED THEREWITH, (VIII) THE ABILITY TO OBTAIN RELIEF FROM THE BANKRUPTCY COURT TO FACILITATE THE SMOOTH OPERATION OF THE DEBTORS UNDER CHAPTER 11, (IX) THE CONFIRMATION AND CONSUMMATION OF THE PLAN, AND (X) EACH OF THE OTHER RISKS IDENTIFIED IN THIS DISCLOSURE STATEMENT. DUE TO THESE UNCERTAINTIES, READERS CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. THE DEBTORS ARE UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIM ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

EXCEPT AS MAY BE OTHERWISE AGREED BY A CREDITOR, HOLDERS OF PREPETITION TRADE CLAIMS, CUSTOMERS AND EMPLOYEES WILL NOT BE IMPAIRED BY THE PLAN, AND AS A RESULT THE RIGHT TO RECEIVE PAYMENT IN FULL ON ACCOUNT OF EXISTING OBLIGATIONS IS NOT ALTERED BY THE PLAN.

NO INDEPENDENT AUDITOR OR ACCOUNTANT HAS REVIEWED OR APPROVED THE FINANCIAL PROJECTIONS OR THE LIQUIDATION ANALYSIS HEREIN.

THE DEBTORS HAVE NOT AUTHORIZED ANY PERSON TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, IN CONNECTION WITH THE PLAN AND THIS DISCLOSURE STATEMENT.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THIS DISCLOSURE STATEMENT.

THE INFORMATION IN THIS DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY TO HOLDERS OF PREPETITION LENDER CLAIMS FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF THIS DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

TERMS USED BUT NOT DEFINED HEREIN HAVE THE MEANING ASCRIBED TO THEM IN THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH INTERNAL REVENUE SERVICE CIRCULAR 230, HOLDERS OF CLAIMS AND PRECONFIRMATION EQUITY INTERESTS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR PRECONFIRMATION EQUITY INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE DEBTORS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND PRECONFIRMATION EQUITY INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

C. Summary of Voting Procedures

As set forth in more detail herein, only holders of Class 2 Claims are entitled to vote to accept or reject the Plan. For detailed voting instructions, please refer to the voting instructions enclosed with this Disclosure Statement and the Ballot.

If you are a holder of a Class 2 Claim and you did not receive a Ballot, received a damaged Ballot, or lost your Ballot or if you have any questions concerning the procedures for voting on the Plan, please contact Sean McGuire with Kurtzman Carson Consultants, LLC at (877) 709-4750.

Pursuant to the provisions of the Bankruptcy Code, only holders of allowed claims or equity interests in classes of claims or equity interests that are impaired and that are not deemed to have rejected a proposed plan are entitled to vote to accept or reject such proposed plan. Classes of claims or equity interests in which the holders of claims or equity interests are

unimpaired under a chapter 11 plan are deemed to have accepted such plan and are not entitled to vote to accept or reject the plan. For a detailed description of the treatment of Claims and Equity Interests under the Plan, see Section V of this Disclosure Statement.

The Debtors will request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code over the deemed rejection of the Plan by holders of the Interests in LodgeNet Interactive. Section 1129(b) of the Bankruptcy Code permits the confirmation of a chapter 11 plan notwithstanding the rejection of such plan by one or more impaired classes of claims or equity interests. Under section 1129(b), a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each rejecting class. For a more detailed description of the requirements for confirmation of a nonconsensual plan, see Section X of this Disclosure Statement.

Claims in Class 2 (Prepetition Lender Claims) of the Plan are impaired and, to the extent Claims in Class 2 are Allowed, the holders of such Claims will receive distributions under the Plan. As a result, holders of Claims in Class 2 are entitled to vote to accept or reject the Plan. Claims in all other Classes are either unimpaired and deemed to accept or impaired and deemed to reject the Plan and are not entitled to vote.

THE DEADLINE TO SUBMIT BALLOTS IS FEBRUARY 4, 2013 AT 5:00 P.M. (PACIFIC TIME) (THE "VOTING DEADLINE"). FOR A BALLOT TO BE COUNTED, THE DEBTORS' VOTING AGENT MUST RECEIVE THE BALLOT BY THE VOTING DEADLINE.

Please complete the information requested on the Ballot, sign, date and indicate your vote on the Ballot, and return the completed Ballot in the enclosed pre-addressed postage-paid envelope so that it is actually received by Kurtzman Carson Consultants, LLC before the Voting Deadline.

D. Confirmation Hearing

Upon commencement of chapter 11 cases, Debtors will request that the Bankruptcy Court set a hearing date for confirmation of the Plan (the "Confirmation Hearing"). The Confirmation Hearing will be held before the United States Bankruptcy Court for the Southern District of New York that is assigned the chapter 11 cases located at Alexander Hamilton House, One Bowling Green, New York, New York 10004. The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjournment date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

In addition, the Debtors will request that the Bankruptcy Court set a deadline to object or respond to the confirmation of the Plan (the "Objection Deadline"). Objections and responses, if any, must be served and filed as to be received on or before the Objection Deadline in the manner described in the order of the Bankruptcy Court establishing the Objection Deadline.

III. OVERVIEW OF THE DEBTORS' OPERATIONS AND KEY EVENTS LEADING TO THE CHAPTER 11 FILING

A. Overview of the Debtors' Operations

The Debtors are the leading provider of interactive media and connectivity services to the hospitality and healthcare industries in the United States. The Debtors primarily provide in-room television programming through their television and mobile-based platform, including on-demand movies, music, sports programming and video games to hotels. The Debtors provide interactive systems that enable hotels to provide guests with information about the hotel property and on-site amenities, as well as applications related to concierge services and travel-related information, including updated flight times, weather and local entertainment. The Debtors sell advertising space within the television programming and on-demand content.

The Debtors also have a robust healthcare business providing interactive and media services to healthcare facilities throughout the United Stated, including, in-patient and out-patient education and self-management support. The LodgeNet system is installed in 78 healthcare facilities representing approximately 18,200 beds.

The Debtors' businesses originated in 1980 under the name the Satellite Movie Company, which initially provided basic and premium television programming to hotels in the midwestern United States. Since that time, the Debtors have grown significantly and now provide television programming, pay per view movies, video games and internet connectivity to more than 1.5 million hotel rooms in over 6,800 hotels, and reach more than 500 million travelers annually.

B. Corporate Structure

LodgeNet Interactive Corporation ("LodgeNet Interactive") is the ultimate parent of the LodgeNet Interactive family of companies. The Debtors consist of LodgeNet Interactive and certain of its directly and indirectly wholly-owned subsidiaries, including LodgeNet StayOnline, Inc., On Command Corporation, The Hotel Networks, Inc., On Command Video Corporation, Puerto Rico Video Entertainment Corporation, Virgin Islands Video Entertainment Corporation, Spectradyne International, Inc., LodgeNet Healthcare, Inc., Hotel Digital Network Inc., and LodgeNet International, Inc.

The Corporate structure chart, attached hereto as Exhibit "F", provides the corporate structure for the Debtors. As demonstrated on Exhibit "F", LodgeNet Interactive, directly or indirectly owns 100% of the equity in each of the other Debtors. Each Debtor, other than Hotel Digital Network, Inc., is a Delaware corporation. Hotel Digital Network, Inc. is a corporation organized under the laws of California.

The Debtors primarily operate in the United States. The Debtors also operate in Mexico and Macau, and have a non-Debtor subsidiary (LodgeNet Interactive (Canada) Corp.) operating in Canada. The Debtors also license their proprietary systems to third parties that provide services in 14 other countries. The Debtors' corporate headquarters are located in Sioux Falls, South Dakota. The Debtors second largest office is located in New York City. The Debtors also maintain offices in Georgia, California, and Mexico.

C. Capital Structure

LodgeNet Interactive is the obligor under a Credit Agreement, dated as of April 4, 2007 (as may be amended, supplemented, restated or otherwise modified prior to the Petition Date, the "Prepetition Credit Agreement"), among LodgeNet Interactive, Gleacher Products Corp., as administrative agent (the "Prepetition Agent"), and the lenders that are parties thereto from time to time (the "Prepetition Lenders"). The Prepetition Credit Agreement originally provided LodgeNet Interactive with up to $625,000,000 in aggregate principal amount of term loans (including a $400,000,000 Initial Term Loan and a $225,000,000 Delayed Draw Term Loan) and $50,000,000 in aggregate maximum principal amount of revolving commitments, with a sublimit for letters of credit of $15,000,000. In March 2011, the Prepetition Credit Agreement was amended and the aggregate maximum principal amount of revolving commitments available thereunder was reduced to $25,000,000 with the sublimit for letters of credit reduced to $7,500,000. As of December 31, 2012, the approximate outstanding principal, interest (accruing at the default rate) and fees owing under the Prepetition Credit Agreement was $332,628,759 under the term loan (net of the portion owned by On Command Video Corporation), and $21,492,008 in borrowings under the revolver, with an additional $350,000 of issued and outstanding letters of credit. These amounts exclude the $20,624,513 amount outstanding under the Prepetition Credit Agreement held by a subsidiary of LodgeNet Interactive and a Debtor in these Chapter 11 Cases, On Command Video Corporation, which will be waived and disallowed under the Plan.

LodgeNet Interactive's obligations under the Prepetition Credit Agreement are secured by the Guarantee and Collateral Agreement, dated as of April 4, 2007, among the Debtors (other than LodgeNet Interactive, each of the Debtors, in its capacity as guarantor under the Guarantee and Collateral Agreement, a "Guarantor") and the Prepetition Agent (the "Guarantee and Collateral Agreement"). Under the Guarantee and Collateral Agreement, (a) each of the other Debtors other than LodgeNet Interactive guaranteed the obligations of LodgeNet Interactive under the Prepetition Credit Agreement, and (b) each of the Debtors granted to the lenders a security interest in all or substantially all of their assets.

In addition to the foregoing, the Debtors estimate that as of December 31, 2012, they have approximately $60 million in outstanding accounts payable.

LodgeNet Interactive is a public reporting company under Section 12(b) of the Securities and Exchange Act of 1934. LodgeNet Interactive's common stock is publicly traded under the symbol "LNET" on the NASDAQ. LodgeNet Interactive received a letter from NASDAQ on January 3, 2013 informing them that trading of LodgeNet Interactive's common stock would be suspended as of the opening of business on January 14, 2013 and NASDAQ would delist the stock as of such date. As of December 31, 2012, there were approximately 27,943,018 shares of common stock outstanding. LodgeNet Interactive directly or indirectly owns 100% of the equity of each of the other Debtors.

LodgeNet Interactive also has outstanding the 10% Series B Cumulative Convertible Perpetual Preferred Stock. As of December 31, 2012, there were 50,516 shares of LodgeNet Interactive preferred stock outstanding.

D. Key Events Leading To The Commencement Of The Chapter 11 Cases

1. Industry Specific Events

The Debtors have suffered declining revenues over the last several years. The Debtors' financial difficulties primarily resulted from downward trends in the number of hotel rooms in which the Debtors' systems are available and the revenue generated per room. The Debtors' room base has declined from a peak of 2 million rooms in early 2009 to approximately 1.5 million rooms as of today. Further, the average revenue per room has declined from $24.53 in 2007 to $20.71 today. There are a variety of macro-economic and industry specific reasons for these declines. Further, efforts by the Debtors to reduce the level of bank debt and to maintain compliance with the operating covenants contained in the Prepetition Credit Agreement constrained the amount of capital available to expand and upgrade the room base, despite the Debtors' belief that room upgrades, particularly the installation of high definition systems, result in increases in per-room revenues.

The Debtors' revenues are directly tied to the number of rooms in which their services are provided and the extent to which hotel guests purchase the Debtors' services, such as pay-per-view movies. The Debtors' ability to maintain their room base is dependent largely on the quality and breadth of service offered by the Debtors, the pricing of alternative television providers, the extent to which the hotel brands consider video-on-demand to be a brand standard for their franchisees, and the price-sensitivity of the hospitality market in relation to initial installation and set-up costs. In recent periods, some hotels have replaced the Debtors' services with television services provided by local cable providers. Cable operators are able to offer lower fees for television channels that are provided free to guests, and generally do not require capital expenditures by the hotels in order to upgrade to high-definition ("HD") programming. Certain lower and mid-range hotels have been reluctant to share in the additional up-front costs associated with HD video-on-demand upgrades and elected to no longer offer on-demand movies, music or video game options to their guests.

Declines in revenue are attributable to multiple causes, including changing availability, source and cost of alternative source of content, reduced demand for full-length theatrical programming by business travelers with increasingly reduced in-room "free-time," higher quality mobile devices, reductions to discretionary spending by travelers due to an uncertain economic environment, and inadequate capital to hasten the pace in upgrading existing rooms to HD, which is necessary to meet consumer expectations for an "at home" HD experience. In particular, the Debtors' business has been negatively impacted by the mobile device revolution. In the past few years, there has been a dramatic increase in the number of hotel guests traveling with laptop computers, tablets and other mobile devices. The ability of guests to view programming on their individual devices on Netflix, Hulu, Amazon and other streaming websites, at lower prices than the Debtors' on-demand services, has decreased the purchase rate per room. The Debtors believe that guests will ultimately gravitate to the largest and best screen available for their media content and, therefore, with the upgrades to the HD platform and the Debtors' other programming options, they can reverse the trend of decreasing revenue per room.

The Debtors' revenues have also been historically affected by the negative economic trends of the past several years. Commencing in 2008, hotel occupancy rates declined significantly as a result of the "Great Recession." Declining occupancy rates have a direct effect on the number of purchases of programming from the Debtors and have also hampered the desire and ability of numerous hotels to upgrade their televisions and systems to offer the HD platform which has slowed revenue growth as rooms with the HD platform generate 60% greater average per-room revenue compared to analog systems.

2. Liquidity Constraints

The Debtors' revenues have been affected by the Debtors' decreased liquidity over the past year. Due to their liquidity position, the Debtors have been unable to make the capital investments in their equipment, roll-out new services and products and complete all requested hotel upgrades, which have impaired the business. The lack of liquidity to fund these activities was primarily caused by the Debtors' decision to maintain covenant compliance under its Prepetition Credit Agreement by making significant prepayments to the Debtors' lenders under the Prepetition Credit Agreement.

The Prepetition Credit Agreement includes certain financial covenants, the violation of which constitute events of default. One of the financial covenants required the Debtors to maintain a Consolidated Leverage Ratio of no more than 4.00:1.00 for the four fiscal quarters ending September 30, 2012 and 3.75:1.00 for the four fiscal quarters ending December 31, 2012. The Consolidated Leverage Ratio calculates the consolidated total debt divided by the consolidated EBITDA for the applicable period. As the Debtors' revenues have declined, it has been more difficult for the Debtors to satisfy the covenant. In order to satisfy the financial covenant and avoid an event of default under the Prepetition Credit Agreement, the Debtors made prepayments to the lenders, which reduced the total debt. The Debtors made prepayments to the lenders in the aggregate amount of approximately $200 million from 2008 through 2010 (net of amounts attributable to the portion of the Prepetition Credit Agreement debt owned by On Command Video), approximately $1.9 million (net) in 2011, and approximately $30 million (net) in 2012. These prepayments impaired the Debtors' ability to make capital expenditures to enhance their business.

The Debtors did not satisfy the Consolidated Leverage Ratio for the third quarter of 2012. The Debtors also failed to make an interest and principal payment under the Prepetition Credit Agreement due to the lenders on December 31, 2012 in the approximate amount of $10 million. Through a forbearance agreement and a series of amendments thereto, the lenders have agreed to forbear from exercising remedies under the terms of the Prepetition Credit Agreement as a result of these breaches under the Prepetition Credit Agreement until February 5, 2013.

The Debtors' decreased liquidity also caused them to delay certain payments due to a significant number of their vendors in 2012. Specifically, as of September 2012, the Debtors had large overdue amounts due to DIRECTV and HBO. In order to prevent such vendors from terminating services, which would have irreparably damaged the Debtors' business in the case of DIRECTV, the Debtors entered into forbearance agreements with DIRECTV and HBO in September 2012, which have been amended and extended several times. Under the terms of the DIRECTV and HBO forbearance agreements, as amended, the Debtors have payments in the

amount of $36 million due to DIRECTV and HBO, in the aggregate, on or before February 5, 2013. The Debtors do not have available funds to sustain operations and make these payments in full to DIRECTV and HBO.

3. Sales Process and Negotiations Leading to the Colony Transaction

a. Sales Process

In December 2010, the Debtors hired JPMorgan to explore strategic opportunities, including refinancing, investments or sales. JPMorgan conducted a thorough process and contacted numerous parties, including both financial institutions and potential strategic purchasers, but no transaction was entered into during the term of JPMorgan's engagement. JPMorgan ceased any further efforts on behalf of the Debtors in June 2012. Since then, the Debtors have continued to work with Andrew Sriubas, who had been with JPMorgan and is now affiliated with Moorgate Partners, to search for potential opportunities. In August 2012, the Debtors retained Miller Buckfire & Co., a wholly-owned subsidiary of Stifel Financial Corp. to seek refinancing or other strategic alternatives. Miller Buckfire was actively assisted in this effort by Mr. Sriubas and his knowledge of the prior process. The Debtors also retained FTI Consulting, Inc. to collaborate on the development of the Debtors' business plan. Miller Buckfire's and FTI's retention was publicly announced on August 21, 2012, and the Debtors publicly announced that they would be pursuing strategic and refinancing alternatives.

Building on prior sales efforts, in late September and early October 2012, the Debtors and Miller Buckfire (assisted by Mr. Sriubas) worked with several parties who conducted diligence on the Debtors' business in contemplation of a restructuring or acquisition transaction. In light of the Debtors' deteriorating liquidity position, the Debtors and Miller Buckfire (assisted by Mr. Sriubas) conducted a process pursuant to which all interested parties were asked to submit an offer by October 19, 2012. All prior interested parties were invited to participate in this process, as well as parties that made inquiries following LodgeNet Interactive's August 2012 public announcement. The Debtors received two offers in connection with such process, one from Colony Capital, and one from a strategic company in the media business. The Debtors' board of directors and management considered both offers and decided the Colony offer represented the highest and best offer.

b. Summary of Investment Agreement

The Debtors have been in discussions with Colony Capital, as a potential investor, for more than a year. Following more than three months of negotiation, the Debtors entered into an Investment Agreement, dated December 30, 2012, with Col-L Acquisition, LLC, PAR Investment Partners, L.P., Nala Investments, LLC, MAR Capital Fund I, L.P., MAR Capital Fund II, L.P. and MAR Capital Fund III, L.P. (collectively, the "Purchasers"), a copy of which is attached to the Plan. The Colony transaction contemplates an agreement between the Reorganized Debtors and DIRECTV (in the form described in Section III.D.3.d. below) that would replace the current DIRECTV agreements, and ensure the single most important vendor continues to do business with the Debtors and supports the reorganization.

The Colony transaction is the basis for the Plan. The Investment Agreement provides that on the Effective Date, subject to the terms and conditions set forth in the Investment Agreement, Reorganized LodgeNet Interactive shall issue to Purchasers and Col-L Acquisition, LLC's designees, if any, and they shall purchase, 100% of the New Common Stock on the Effective Date for an aggregate purchase price of $60,000,000.

On the Effective Date, subject to the terms and conditions set forth in the Investment Agreement, Reorganized LodgeNet Interactive will issue to entities and in amounts determined by Col-L Acquisition, LLC ("Col-L Acquisition," or the "Purchaser Representative"), in its sole discretion, and such entities shall purchase, for a warrant purchase price of $5,000, warrants to acquire New Common Stock which, upon exercise will represent 27.5% of the outstanding New Common Stock on a fully diluted basis. The Purchaser Representative will determine the terms of the warrants in its sole discretion.

On the Effective Date, Purchasers, or Purchaser Representative's designees in accordance with the terms of the Investment Agreement, may also purchase, at its option, any number of additional shares of New Common Stock at a price determined in the Investment Agreement, up to an aggregate additional purchase price of $30,000,000.

The Investment Agreement includes a number of conditions to closing including execution of the DIRECTV Agreement, the satisfaction of a minimum liquidity test, the assumption of designated executory contracts and unexpired leases, the negotiation and execution of definitive Exit Loan Agreement and Exit Revolver Agreement and related documentation, and other typical closing conditions.

In addition, the Investment Agreement is terminable by the Purchaser Representative if, among other things, an order confirming the Plan is not entered within forty-five (45) days after the Petition Date. Upon the termination of the Investment Agreement at any time prior to the Effective Date, (i) the Plan will automatically be null and void; (ii) all votes cast in respect of the Plan will automatically be null and void and deemed withdrawn; and (iii) all of the Debtors' obligations with respect to the Claims and the Interests will remain unchanged by the Plan and nothing contained therein will be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other entity or to prejudice in any manner the rights of the Debtors or any other entity in any further proceedings involving the Debtors or otherwise.

c. Summary of Exit Loan Agreement, Exit Revolver Agreement and Plan Support and Lock-up Agreement

On or prior to the Effective Date, Reorganized LodgeNet Interactive will enter into the Exit Loan Agreement on the terms set forth in the Exit Term Loan Term Sheet and which otherwise must be in a form acceptable to the Purchaser Representative and the Requisite Consenting Lenders. The Exit Loan Agreement constitutes the consideration provided to the Prepetition Lenders under Class 2 of the Plan on account of the Prepetition Lender Claims (not including those held by the Debtors which will be deemed waived and disallowed) for all outstanding principal and unpaid interest accruing under the Prepetition Credit Facility prior to the commencement of the chapter 11 cases, and any interest that accrues on the Prepetition Credit Facility during the chapter 11 cases up to up to the earlier of the Effective Date or 90 days

after the Petition Date, in each case at the non-default contract rate. If the Effective Date occurs later than 90 days after the Petition Date, any interest accrued on the Prepetition Credit Facility from and after the 90th day after the Petition Date through the Effective Date will be deemed to be waived and disallowed.

The Exit Loan Agreement will include the Exit Term A Loan and the Exit Term B Loan (the "Exit Term Loans"). Lenders may elect to allocate their distribution between the Exit Term A and Exit Term B Loan by making an election on their Ballot. The Exit Term A Loan is a $346,400,000 five-year term loan (*plus* (i) interest that accrues on the Prepetition Credit Facility before the Petition Date and (ii) interest that accrues on the Prepetition Credit Facility during the chapter 11 cases up to the earlier of the Effective Date or 90 days after the Petition Date, in each case at the non-default contract interest rate, *less* the amount of the Term B Loan (if any)). The Exit Term B Loan is an up to $125,000,000 seven-year term loan, depending on the number of lenders that elect to receive the Exit Term B Loan. The principal-weighted blended interest rate for the Exit Term Loans will be 6.75% per annum.

On four interest payment dates occurring during the term of the Exit Loan Agreement and selected by Reorganized LodgeNet Interactive, Reorganized LodgeNet Interactive may at its election pay in-kind accrued and unpaid interest then due in respect of the Exit Loan Agreement; provided that (i) Reorganized LodgeNet Interactive may so elect to pay accrued and unpaid interest in-kind on any interest payment date only if the Borrower has cash on hand, cash equivalents and borrowing availability under the Revolving Credit Facility on the 5th business day preceding such interest payment date aggregating less than $50,000,000, and (ii) on each such interest payment date on which Reorganized LodgeNet Interactive elects to pay in-kind interest, Reorganized LodgeNet Interactive will pay in cash accrued interest at a rate not less than 1.00% *per annum* and may pay in-kind all or any portion of the remaining accrued and unpaid interest.

The aggregate amount of interest that will accrue and be payable to the lenders under the Exit Loan Agreement will be subject to reduction in accordance with a liquidity adjustment set forth in Annex C to the Exit Term Loan Term Sheet (the "Liquidity Adjustment"). The Liquidity Adjustment provides that for every $1 that the Actual Liquidity (as defined in Annex C of the Exit Term Loan Term Sheet) is less than a specified benchmark (as specified in Annex C of the Exit Term Loan Term Sheet), there will be a corresponding reduction in the amount of interest due and payable by Reorganized LodgeNet Interactive to the lenders under the Exit Loan Agreement, up to a maximum reduction of $25,000,000; provided that Reorganized LodgeNet Interactive will pay in cash accrued interest at a rate not less than 1.00% *per annum* on each interest payment date.

Each of the Term A Loan and Term B Loan require mandatory prepayments upon certain events and each amortize 1% each year in equal quarterly installments.

The Exit Loan Agreement is subject to the occurrence of the Effective Date, the negotiation and execution of definitive Exit Loan Agreement documentation, and other customary closing conditions.

A condition to the Colony transaction and the occurrence of the Effective Date is that the Reorganized Debtors enter into a revolving credit facility with $20 million of availability (the "Exit Revolver Agreement") on or before the Effective Date. The Exit Term Loan Term Sheet provides that the lenders under the Exit Term Loan shall be secured by perfected security interests in substantially all of the assets of the Debtors; provided that, the lenders under the Exit Revolver shall have a first priority security interest (subject only to permitted encumbrances) with respect to the Debtors' contract payment rights, accounts receivable and other current or related assets, including contract rights (collectively "Revolver Priority Collateral"). In addition, the Revolver Priority Collateral may also include other assets to the extent required by the lenders under the Exit Revolver to ensure that the all-in yield on loans funded under such facility does not exceed 5.75% *per annum* (the "ABL Structure"); provided that the Exit Revolver may be structured as a cash flow revolver with Revolver Priority Collateral to include all assets so long as the Debtors have used commercially reasonable efforts to obtain an Exit Revolver as an asset based lending facility consistent with the ABL Structure.

On December 30, 2012, the steering committee of the lenders under the Debtors' Prepetition Credit Facility, who collectively hold approximately 44% of the Prepetition Lender Claims, executed a Plan Support and Lock-Up Agreement pursuant to which they have agreed to support and vote in favor of the Plan.

If the Plan Support and Lock-Up Agreement is terminated at any time prior to the Effective Date, (i) the Plan will automatically be null and void; (ii) all votes cast in respect of the Plan will automatically be null and void and deemed withdrawn; and (iii) all of the Debtors' obligations with respect to the Claims and the Interests will remain unchanged by the Plan and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other entity or to prejudice in any manner the rights of the Debtors or any other entity in any further proceedings involving the Debtors or otherwise.

d. Summary of DIRECTV Agreement

On or before the Effective Date, Reorganized LodgeNet Interactive and DIRECTV will enter into a new agreement (the "DIRECTV Agreement") replacing the SMATV Sales Agency and Transport Services Agreement, dated as of March 31, 2010, between LodgeNet Interactive and DIRECTV and the DIRECTV Commercial Dealer Agreement dated June 18, 2008 between LodgeNet Interactive and DIRECTV.

Certain key terms of the new DIRECTV Agreement are set forth in the Memorandum of Understanding between DIRECTV and Colony Acquisition Sub, dated as of December 6, 2012 (the "MOU"). The MOU provides that DIRECTV Agreement will (a) provide certain "free-to-guest" and pay-per-view programming, (b) allow Reorganized LodgeNet Interactive to provide certain authorized transport services in respect of DIRECTV programming, (c) allow Reorganized LodgeNet Interactive to remove and replace certain advertising content contained in DIRECTV programming, (d) provide a financing facility relating to the installation costs for equipment in hotels, (e) provide for collaboration between Reorganized LodgeNet Interactive and DIRECTV with respect to upgrading and improving guest entertainment systems; (f) provide for fees and revenue sharing arrangements between the parties, and (g) include such other terms as mutually agreed by the parties. The MOU also

provides that on the Effective Date and in connection with the DIRECTV Agreement, DIRECTV will be issued warrants exercisable for up to 2.5% of the outstanding New Common Stock on a fully diluted basis (the "DIRECTV Warrants").

Following careful consideration of all alternatives, the Debtors determined that implementation of the Colony transaction as set forth in the Investment Agreements through the commencement of these chapter 11 cases was a prudent and necessary step to maximize the value of the Debtors' businesses and was in the best interests of the Debtors' constituents.

IV. ANTICIPATED EVENTS DURING THE CHAPTER 11 CASES

A. Commencement of Chapter 11 Cases and First Day Orders

To implement the Colony Transaction, each of the Debtors intends to commence a case under chapter 11 of the Bankruptcy Code on or before February 5, 2013 (the "Petition Date"). The Debtors may commence their chapter 11 cases prior to the Voting Deadline.

On the Petition Date, the Debtors will request to have their chapter 11 cases jointly administered for procedural purposes. In addition, the Debtors will request a series of orders from the Bankruptcy Court to minimize any disruption of their business operations and to facilitate their reorganization. These requests will include, but are not limited to, orders permitting the Debtors to pay certain employee obligations, pay insurance obligations, continue certain customer programs, pay certain trade vendor obligations, and to maintain their cash management system.

B. Debtor In Possession Financing

To provide additional liquidity during the chapter 11 cases, the Debtors will obtain a debtor-in-possession loan (the "DIP Facility") in the aggregate amount of $30,000,000, including a roll-up of $15,000,000 of the Prepetition Lender Claims, and on the terms set forth in the DIP Loan Commitment Letter attached hereto as Exhibit "C". Upon the occurrence of the Effective Date, only the amounts borrowed following the Petition Date will be repaid in cash on the Effective Date. On the Effective Date, instead of being repaid in cash, any roll-up amounts, including any interest accrued on the rolled-up portion prior to or after the Petition Date, shall automatically convert to outstanding amounts under the Exit Loan Agreement.

As a result, notwithstanding the roll-up of $15,000,000 of the Prepetition Lender Claims, such roll-up will not have any effect on the liquidity of the Debtors upon the occurrence of the Effective Date. However, should the Effective Date not occur, the Roll-Up DIP Claims may become due and payable prior to the effective date of any other chapter 11 plan.

The Debtors and the DIP Lenders will enter into the DIP Facility to enable the continued operation of the Debtors' businesses, avoid short-term liquidity concerns, and preserve the going-concern value of the Debtors' estates prior to consummation of the Colony Transaction.

C. Timetable for the Chapter 11 Cases

Assuming the Bankruptcy Court approves the scheduling motion with respect to the Confirmation Hearing, the Parties anticipate that the Confirmation Hearing will occur within approximately 45 days of the Petition Date. The Debtors do not currently anticipate any significant objections to confirmation. If such objections were to be raised, the anticipated timing for the Confirmation Hearing could be delayed, perhaps substantially.

V. THE PLAN

A. Administrative Expense and Priority Claims

1. Administrative Expense Claims.

Except to the extent that a holder of an Allowed Administrative Expense Claim and the Debtors or the Reorganized Debtors agree to different treatment, the Debtors (or the Reorganized Debtors, as the case may be) will pay to each holder of an Allowed Administrative Expense Claim, in full and final satisfaction of its Administrative Expense Claim, Cash in an amount equal to such Claim on, or as soon thereafter as is reasonably practicable, the later of (a) the Effective Date and (b) the first Business Day after the date that is thirty (30) calendar days after the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim; provided, however, that, subject to Section V.A.4 hereof, Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtors, as debtors in possession, or liabilities arising under loans or advances to or other obligations incurred by the Debtors, as debtors in possession, whether or not incurred in the ordinary course of business, shall be paid by the Debtors in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions.

2. Fee Claims.

All entities seeking an award by the Bankruptcy Court of Fee Claims (a) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Effective Date and (b) shall be paid in full from the Debtors' or Reorganized Debtors' Cash on hand in such amounts as are Allowed by the Bankruptcy Court (i) upon the later of (A) the Effective Date and (B) the date upon which the order relating to any such Allowed Fee Claim is entered or (ii) upon such other terms as may be mutually agreed upon between the holder of such an Allowed Fee Claim and the Debtors or, on and after the Effective Date, the Reorganized Debtors. The Reorganized Debtors are authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

3. Priority/Secured Tax Claims.

Except to the extent that a holder of an Allowed Priority/Secured Tax Claim agrees to a different treatment, each holder of an Allowed Priority/Secured Tax Claim shall, in

full satisfaction, release, and discharge of such Allowed Priority/Secured Tax Claim be paid, in the sole discretion of the Reorganized Debtors (1) in full in Cash on the latest to occur of (a) the Effective Date, to the extent such Claim is an Allowed Priority/Secured Tax Claim on the Effective Date, (b) on the date such Claim becomes and Allowed Priority/Secured Tax Claim, or (c) to the extent such Claim is not Allowed, but is due and owing on the Effective Date, in accordance with the terms of any agreement between the Debtors and such holder, or as may be due and owing under applicable non-bankruptcy law, or in the ordinary course of business, or (2) as otherwise permitted by the Bankruptcy Code.

4. DIP Claims.

On the Effective Date, all DIP Claims shall be Allowed and, other than any Roll-Up DIP Claims, paid in full in Cash on the Effective Date. In accordance with section 5.6 of the Plan, the Roll-Up DIP Claims, will automatically be deemed to be amounts outstanding under the Exit Term Loans on the Effective Date (subject to the same limitations with respect to accrued and unpaid interest as are described with respect to the Prepetition Lender Claims in Section III.D.3.c. above).

B. Classification of Claims and Interests

1. Summary of Classification

The following table designates the Classes of Claims against and Interests in each of the Debtors and specifies which of those Classes are Impaired or Unimpaired by the Plan. The classification of Claims and Interests set forth in the Plan shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth in the Plan. Certain of the Debtors may not have holders of Claims or Interests in a particular Class or Classes, and such Classes shall be treated as set forth in Section 3.3 of the Plan.

Class	Designation	Treatment
1	Priority Non-Tax Claims	Unimpaired
2	Prepetition Lender Claims	Impaired
3	Other Secured Claims	Unimpaired
4	General Unsecured Claims	Unimpaired
5	Intercompany Claims	Unimpaired
6	Interests in Subsidiary Debtor	Unimpaired
7	Series B Preferred Interests	Impaired
8	Interests in LodgeNet Interactive	Impaired

C. Treatment of Claims and Interests

a. Priority Non-Tax Claims (Class 1).

(i) *Classification*: Class 1 consists of Priority Non-Tax Claims against the Debtors.

(ii) *Treatment*: Except to the extent that a holder of an Allowed Priority Non-Tax Claim against any of the Debtors has agreed to less favorable treatment of such Claim, each such holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, in each case, or as soon as reasonably practicable thereafter.

(iii) *Voting*: Class 1 is Unimpaired, and the holders of Priority Non-Tax Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Priority Non-Tax Claims are not entitled to vote to accept or reject the Plan.

b. Prepetition Lender Claims (Class 2).

(i) *Classification*: Class 2 consists of the Prepetition Lender Claims against the Debtors.

(ii) *Allowance*: The Prepetition Lender Claims are Allowed in an amount of $346,400,000 on account of unpaid principal, plus interest, fees and other expenses, arising under or in connection with the Prepetition Credit Agreement; provided, however, that any Prepetition Lender Claims held by the Debtors or any affiliate of the Debtors are deemed waived and not Allowed.

(iii) *Treatment*: On the Effective Date, each holder of an Allowed Class 2 Prepetition Lender Claim shall receive, in full and final satisfaction of its Prepetition Lender Claim, its *pro rata* share of the Exit Term Loans, allocated between the Exit Term A Loan and the Exit Term B Loan (if any) in the manner set forth in the Exit Loan Agreement.

(iv) *Voting*: Class 2 is Impaired, and holders of Prepetition Lender Claims are entitled to vote to accept or reject the Plan.

c. Other Secured Claims (Class 3).

(i) *Classification*: Class 3 consists of the Other Secured Claims. To the extent that Other Secured Claims are secured by different collateral or different interests in the same collateral, such Claims shall be treated as separate subclasses of Class 3.

(ii) *Treatment*: Except to the extent that a holder of an Allowed Other Secured Claim against any of the Debtors has agreed to less favorable treatment of such Claim, each holder of an Allowed Other Secured Claim shall receive, at the option of the Debtors or the Reorganized Debtors, any of (i) payment in full in Cash in full and final satisfaction of such claim, payable on the later of the Effective Date and the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, or, in each case, as soon as reasonably practicable thereafter, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code or (iii) such other recovery necessary to satisfy section 1129 of the Bankruptcy Code.

(iii) *Voting*: Class 3 is Unimpaired, and the holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Other Secured Claims are not entitled to vote to accept or reject the Plan.

d. General Unsecured Claims (Class 4).

(i) *Classification*: Class 4 consists of General Unsecured Claims against the Debtors.

(ii) *Treatment*: Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment of such Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall receive in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such General Unsecured Claim becomes an Allowed General Unsecured Claim, or, in each case, as soon as reasonably practicable thereafter.

(iii) *Voting*: Class 4 is Unimpaired, and the holders of General Unsecured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of General Unsecured Claims are not entitled to vote to accept or reject the Plan.

e. Intercompany Claims (Class 5)

(i) *Classification*: Class 5 consists of Intercompany Claims.

(ii) *Treatment*: On the Effective Date, Intercompany Claims shall be reinstated by the Debtors.

(iii) *Voting*: Class 5 is Unimpaired, and the holders of Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

f. Interests in Subsidiary Debtors (Class 6)

(i) *Classification*: Class 6 consists of Interests in each of the Subsidiary Debtors.

(ii) *Treatment*: On the Effective Date, all of the Subsidiary Debtors shall continue to be owned by the entity that owned the Interest in the respective Subsidiary Debtors on the Petition Date, and the certificates and other documents representing such Interests shall remain in full force and effect.

(iii) *Voting*: Class 6 is Unimpaired by the Plan, and the holders of the Allowed Interests in Subsidiary Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the holders of Interests in Subsidiary Debtors are not entitled to vote to accept or reject the Plan.

g. Series B Preferred Interests (Class 7).

(i) *Classification*: Class 7 consists of Series B Preferred Interests in LodgeNet Interactive.

(ii) *Treatment*: All Series B Preferred Interests shall be deemed cancelled, and the holders of Series B Preferred Interests shall not receive or retain any property under the Plan on account of such interests.

(iii) *Voting*: Class 7 is Impaired by the Plan, and the holders of the Allowed Series B Preferred Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the holders of Series B Preferred Interests are not entitled to vote to accept or reject the Plan.

h. Interests in LodgeNet Interactive (Class 8).

(i) *Classification*: Class 8 consists of Interests in LodgeNet Interactive.

(ii) *Treatment*: On the Effective Date, all Interests in LodgeNet Interactive shall be deemed cancelled, and the holders of Interests in LodgeNet Interactive shall not receive or retain any property under the Plan on account of such interests.

(iii) *Voting*: Class 8 is Impaired by the Plan, and the holders of the Interests in LodgeNet Interactive are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. The holders of Interests in LodgeNet Interactive are not entitled to vote to accept or reject the Plan.

D. Means of Implementation

1. Joint Chapter 11 Plan

The Plan is a joint chapter 11 plan for each of the Debtors, with the Plan for each Debtor being non-severable and mutually dependent on the Plan for each other Debtor.

2. Colony Transaction

On the Effective Date, subject to the satisfaction or waiver of the conditions to closing set forth in the Investment Agreement, the Colony transaction set forth in the Investment Agreement will be implemented, and the New Common Stock will be issued in the manner described in the Plan. The proceeds of the Colony transaction will be used to fund payments required to be made under the Plan and any proceeds not required to fund payments under the Plan will be retained by the Reorganized Debtors and used for general corporate purposes subject to any restrictions that are placed on the use of such funds by the Exit Loan Agreement.

A detailed summary of the Investment Agreement is included in Section III.D.3.b hereof.

3. Distribution of Term A Loan Notes and Term B Loan Notes.

On or before the Effective Date, Reorganized LodgeNet Interactive will enter into the Exit Loan Agreement. The material terms of the Exit Loan Agreement are summarized in section III.D.3.c. hereof. The Exit Loan Agreement constitutes the consideration provided to the Prepetition Lenders under Class 2 of the Plan.

Upon entry into the Exit Loan Agreement, all security documents executed in connection with the Prepetition Credit Agreement, including the Guarantee and Collateral Agreement will be amended or amended and restated to conform to the terms of the Exit Loan Agreement, and will remain in full force and effect, and all Liens, rights, interests, duties and obligations thereunder will survive the Effective Date and will continue to secure all obligations under the Exit Loan Agreement. Without limiting the generality of the foregoing, all Liens and security interests granted pursuant to the Exit Loan Agreement (including, without limitation, the security documents executed in connection with the Prepetition Credit Agreement as amended or amended and restated in connection with the Exit Loan Agreement) to the Prepetition Agent and the Prepetition Lenders are intended to be (i) valid, binding, perfected, enforceable, Liens and security interests in the personal and real property described in and subject to such documents, with the priorities established in respect thereof under applicable non-bankruptcy law and (ii) not subject to avoidance, recharacterization or subordination under any applicable law.

4. DIRECTV Agreement

On or before the Effective Date, pursuant to Bankruptcy Rule 9019, LodgeNet Interactive will enter into a settlement with DIRECTV, under which (a) LodgeNet Interactive will assume the SMATV Sales Agency and Transport Services Agreement, dated as of March 31, 2010 between LodgeNet Interactive and DIRECTV and the DIRECTV Commercial Dealer Agreement dated June 18, 2008 between LodgeNet Interactive and DIRECTV, (b) Reorganized LodgeNet Interactive will enter into a new DIRECTV Agreement which will replace the SMATV Sales Agency and Transport Services Agreement and the DIRECTV Commercial Dealer Agreement, (c) DIRECTV's claim for amounts due and payable prior to the Petition Date will be Allowed and paid in accordance with a payment schedule agreed to by the parties, each of cases (a), (b) and (c) effective as of the Effective Date. The SMATV Sales Agency and Transport Services Agreement and the DIRECTV Commercial Dealer Agreement will be replaced by the DIRECTV Agreement and both will automatically terminate without liability of any party thereto upon the effectiveness of the DIRECTV Agreement on the Effective Date.

5. Termination of DIP Loan Agreement

On the Effective Date, (a) LodgeNet Interactive will pay, in full in Cash by wire transfer or immediately available funds, all DIP Claims (excluding any Roll-Up DIP Claims); and (b) the commitments under the DIP Loan Agreement will be terminated. All Roll-Up DIP Claims will be deemed to be outstanding amounts under the Exit Loan Agreement (subject to the same limitations with respect to accrued and unpaid interest as are described with respect to the Prepetition Lender Claims in Part III.D.3.c. above). Upon payment or satisfaction in full of all DIP Claims in accordance with the terms thereof, all liens and security interests granted to secure such obligations shall be deemed terminated and shall be of no further force and effect.

Notwithstanding the foregoing, all obligations of the Debtors (if any) to the DIP Agent and the DIP Lenders under the DIP Loan Agreement which are expressly stated in the DIP Loan Agreement as surviving such agreement's termination (including, without limitation, indemnification and expense reimbursement obligations) shall, as so specified, survive without prejudice and remain in full force and effect.

6. Exit Revolver

On the Effective Date, LodgeNet Interactive will enter into the Exit Revolver, on terms not inconsistent with the Exit Term Loan Term Sheet and which will be in substance acceptable to Purchaser Representative and the Requisite Consenting Lenders. The Exit Term Loan Term Sheet permits the pledging of certain collateral and granting of liens senior to the Exit Term Loan. The Exit Revolver may be structured as either a cash flow revolver or as an asset based lending facility; provided, however, that LodgeNet Interactive must use commercially reasonable efforts to consummate the Exit Revolver as an asset based lending facility.

On the Effective Date, the Exit Revolver Agreement will be executed and delivered, and the Reorganized LodgeNet Interactive shall be authorized to execute, deliver and enter into the Exit Revolver Agreement, without the need for any further corporate action and without further action by the holders of Claims or Interests. On the Effective Date, the Guarantee and Collateral Agreement will be amended and restated, if necessary, to provide for the grant of liens and security interests to secure the Exit Revolver.

7. Intercreditor Agreements

On the Effective Date, the Prepetition Agent, as agent under the Exit Loan Agreement, will enter into an intercreditor agreement with the agent under the Exit Revolver Agreement which will set forth the respective rights of the lenders under the Exit Loan Agreement and the lenders under the Exit Revolver to the Reorganized Debtors' assets and liens and security interests therein. In addition, the Prepetition Agent, as agent under the Exit Loan Agreement, will enter into an intercreditor agreement with DIRECTV which will set forth DIRECTV's security interests with respect to certain of the Reorganized Debtors' accounts payable from hotels.

8. Cancellation of Existing Securities and Agreements.

Except for executory contracts and unexpired leases that have been assumed by the Debtors or as otherwise expressly provided in the Plan, on the Effective Date, all of the agreements and other documents evidencing (a) the Claims or rights of any holder of a Claim against the Debtors, including all credit agreements, and notes evidencing such Claims, (b) the Interests in LodgeNet Interactive (c) any options or warrants to purchase Interests of LodgeNet Interactive, or obligating such Debtors to issue, transfer or sell Interests or any other capital stock of such Debtors, will be amended, restated, substituted for or cancelled, as the case may be, other than for purposes of evidencing a right to distributions under the Plan with respect to executory contracts or unexpired leases which have not been assumed by the Debtors.

9. Merger/Dissolution/Consolidation

On the Effective Date or as soon as practicable thereafter and without need for any further action, the Reorganized Debtors may, subject to the terms of the Exit Loan Agreement, (i) cause any or all of the Debtors to be merged into one or more of the Reorganized Debtors, dissolved or otherwise consolidated, (ii) cause the transfer of assets between or among the Reorganized Debtors, or (iii) engage in any other transaction in furtherance of the Plan.

10. Cancellation of Liens.

Except as otherwise specifically provided in the Plan with respect to Classes 2 and 3, any Lien securing any Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any collateral or other property of the Debtors (including any Cash collateral) held by such holder and to take such actions as may be requested by the Reorganized Debtors, to evidence the release of such Lien, including the execution, delivery and filing or recording of such releases as may be requested by the Reorganized Debtors.

11. Withholding and Reporting Requirements.

In connection with the Plan and all instruments issued in connection therewith and distributed thereon, the Debtors shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence shall be deemed to have been distributed to and received by the applicable recipient for all purposes of the Plan. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. The Debtors have the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to any issuing or disbursing party for payment of any such tax obligations. The Debtors may require, as a condition to receipt of a distribution, that the holder of an Allowed Claim complete and return a Form W-8 or W-9, as applicable to each such holder. If the Debtors make such a request and the holder fails to comply before the date that is 180 days after the request is made, the amount of such distribution shall irrevocably revert to the applicable Reorganized Debtor and any Claim in respect of such distribution shall be discharged and forever barred from assertion against such Reorganized Debtor or its respective property.

12. Exemption From Certain Transfer Taxes.

Pursuant to section 1146(a) of the Bankruptcy Code, (a) any issuance, transfer or exchange of notes or equity securities under the Plan, (b) the creation of any mortgage, deed of trust or other security interest, or (c) the making or assignment of any lease or sublease, or the making or delivery of any instrument of transfer from a Debtor to a Reorganized Debtor or any

other Person pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. Without limiting the foregoing, any issuance, transfer or exchange of a security or any making or delivery of an instrument of transfer pursuant to the Plan shall be exempt from the imposition and payment of any and all transfer taxes (including, without limitation, any and all stamp taxes or similar taxes and any interest, penalties and addition to the tax that may be required to be paid in connection with the consummation of the Plan) pursuant to sections 1146(a), 505(a), 106 and 1141 of the Bankruptcy Code.

13. Management Incentive Plan

To the extent determined by Purchaser Representative in its sole discretion Reorganized LodgeNet Interactive shall adopt the new management incentive plan set forth in the Plan Supplement.

14. Sources of Consideration for Plan Distributions

Except as otherwise provided in the Plan or the Confirmation Order, all consideration necessary for the Reorganized Debtors to make payments pursuant to the Plan shall be obtained from the existing Cash balances of the Debtors, the purchase price specified in the Investment Agreement, the Exit Term Loans, the Exit Revolver, and the operations of the Debtors or the Reorganized Debtors. The Reorganized Debtors may also make such payments using Cash received from their subsidiaries through the Reorganized Debtors' consolidated cash management systems

15. Effectuating Documents; Further Transactions.

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution and the Amended Organizational Documents pursuant to applicable state law; and (4) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law, subject, in each case, to the Amended Organizational Documents.

On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards of directors thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

E. Distributions under the Plan

1. Distribution Record Date.

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors or their respective agents, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Interests. The Debtors or the Reorganized Debtors shall have no obligation to recognize any transfer of the Claims or Interests occurring on or after the Distribution Record Date.

2. Date of Distributions

Except as otherwise provided in the Plan, any and all distributions and deliveries to be made will be made on the Effective Date, as soon thereafter as is practicable or as otherwise determined in accordance with the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

3. Disbursing Agent

All distributions made under the Plan shall be made by Reorganized LodgeNet Interactive (or such other entity designated by Reorganized LodgeNet Interactive), as Disbursing Agent, on or after the Effective Date or as otherwise provided under the Plan. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

4. Powers of Disbursing Agent

A Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan, (b) make all distributions contemplated by the Plan and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions thereof.

5. Expenses of the Disbursing Agent

Except as otherwise ordered by the Bankruptcy Court, any reasonable fees and expenses incurred by the Disbursing Agent acting in such capacity (including taxes and reasonable attorneys' fees and expenses) on or after the Effective Date shall be paid in Cash by the Reorganized Debtors in the ordinary course of business.

6. Delivery of Distributions

a. Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made to a Disbursing Agent, who shall transmit such distribution to the applicable holders of Allowed Claims. In the event that any distribution to any holder is returned as undeliverable, the Disbursing Agent shall use reasonable efforts to determine the current address of such holder, but no further distributions shall be made to such holder unless and until such Disbursing Agent is notified in writing of such holder's then-current address, at which time all currently-due, missed distributions shall be made to such holder as soon as reasonably practicable thereafter without interest; provided, however, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one (1) year from the Effective Date. After such date, all unclaimed property or interest in property shall revert to the Reorganized Debtors, and the Claim of any other holder to such property or interest in property shall be discharged and forever barred notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary.

b. The Prepetition Agent shall be the Disbursing Agent for the Allowed Prepetition Lender Claims. Distributions under the Plan to holders of such Allowed Prepetition Lender Claims shall be made by the Reorganized Debtors to the Prepetition Agent, which, in turn, shall make the distributions to Prepetition Lenders. The Prepetition Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to its administration of distributions. Upon delivery by the Reorganized Debtors of the distributions in conformity with Sections 4.2 and 5.6 of the Plan to the Prepetition Agent, the Reorganized Debtors shall be released of all liability with respect to the delivery of such distributions.

c. The DIP Agent shall be the Disbursing Agent for the Allowed DIP Claims. Distributions under the Plan to holders of such Allowed DIP Claims shall be made by the Debtors to the DIP Agent, which, in turn, shall make the distributions to DIP Lenders. The DIP Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to its administration of distributions. Upon delivery by the Debtors of the distributions in conformity with Sections 2.4 and 5.7 of the Plan to the DIP Agent, the Debtors shall be released of all liability with respect to the delivery of such distributions.

7. Manner of Payment Under Plan

a. All distributions of the Exit Term Loans to the holders of Prepetition Lender Claims under the Plan shall be made by, or at the direction of, the Prepetition Agent on behalf of Reorganized LodgeNet Interactive.

b. All distributions of Cash under the Plan shall be made by the applicable Disbursing Agent on behalf of the applicable Debtor.

c. At the option of the Debtors, any Cash payment to be made under the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

8. Fractional Units

No Fractional shares of New Common Stock shall be issued or distributed under the Plan and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New Common Stock that is not a whole number, the actual distribution of shares of New Common Stock shall be rounded as follows: (a) fractions of one-half (½) or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half (½) shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New Common Stock to be distributed to holders of Allowed Claims shall be adjusted as necessary to account for the foregoing rounding.

9. Setoffs

The Debtors and the Reorganized Debtors may, but shall not be required to, set off against any Claim (other than a Prepetition Lender Claim) (for purposes of determining the Allowed amount of such Claim on which distribution shall be made), any claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the holder of such Claim; provided, that neither the failure to do so nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claim the Debtors or the Reorganized Debtors may have against the holder of such Claim.

10. Distributions After Effective Date

Distributions made after the Effective Date pursuant to section 7.5 of the Plan to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

11. Allocation of Distributions Between Principal and Interest

Except as otherwise provided in the Plan, to the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated to the principal amount (as determined for federal income tax purposes) of the Claim first, and then to accrued but unpaid interest.

12. Minimum Distributions

No payment of Cash in less than $100 shall be made to any holder of an Allowed Claim unless a request therefore is made in writing to the appropriate Disbursement Agent.

13. No Postpetition Interest on Claims

Except for DIP Claims or Prepetition Lender Claims (for the avoidance of doubt each of which shall accrue and be paid postpetition interest in accordance with the terms set forth in the agreements governing the DIP Claims and the Prepetition Lender Claims (at the non-default rate), as applicable) unless otherwise specifically provided for in the Plan or the Confirmation Order, or as required by applicable bankruptcy law, postpetition interest shall not accrue on or after the Petition Date on account of any Claim.

F. Procedures for Treating Disputed Claims Under the Plan

1. Proofs of Claim/Disputed Claims/Process

Notwithstanding section 502(a) of the Bankruptcy Code, and considering the unimpaired treatment of all holders of General Unsecured Claims under the Plan, all proofs of claim filed in these Chapter 11 Cases shall be considered objected to and Disputed without further action by the Debtors. Upon the Effective Date, all proofs of claim filed against the Debtors, regardless of the time of filing, and including claims filed after the Effective Date, shall be deemed withdrawn, other than as provided below. The deemed withdrawal of all proofs of claim is without prejudice to each claimant's rights under section 7.1 of the Plan to assert their Claims in any forum as though the Debtors' cases had not been commenced. Notwithstanding anything in section 7.1 of the Plan, (a) all Claims against the Debtors that result from the Debtors' rejection of an executory contract or unexpired lease, (b) disputes regarding the amount of any Cure pursuant to section 365 of the Bankruptcy Code and (c) Claims that the Debtors seek to have determined by the Bankruptcy Court, shall in all cases be determined by the Bankruptcy Court.

2. Objections to Claims

Except insofar as a Claim is Allowed under the Plan, notwithstanding Section 7.1 of the Plan, the Debtors, the Reorganized Debtors or any other party in interest shall be entitled to object to Claims. Any objections to Claims shall be served and filed on or before (a) the one hundred twentieth (120th) day following the later of (i) the Effective Date and (ii) the date that a proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim, or (b) such later date as may be fixed by the Bankruptcy Court.

3. Estimation of Claims

The Reorganized Debtors may at any time request that the Bankruptcy Court estimate any contingent, unliquidated or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtor previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the

estimated amount constitutes a maximum limitation on the amount of such Claim, the Reorganized Debtors may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

4. No Distributions Pending Allowance

If an objection to a Claim is filed as set forth in Section 7.2, no payment or distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

5. Distribution After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

6. Preservation of Claims and Rights to Settle Claims

Except as otherwise provided in the Plan, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Claims, Disputed Claims, rights, Causes of Action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their estates may hold against any Person, without the approval of the Bankruptcy Court, subject to the terms of Section 7.2 of the Plan, the Confirmation Order, and any contract, instrument, release, indenture, or other agreement entered into in connection herewith. The Reorganized Debtors or their successor(s) may pursue such retained Claims, rights, Causes of Action, suits or proceedings, as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

G. Executory Contracts and Unexpired Leases

1. General Treatment

Effective as of the Effective Date, all executory contracts and unexpired leases to which any of the Debtors are parties will be assumed under the Plan, except for an executory contract or unexpired lease that (a) was previously assumed or rejected pursuant to Final Order of the Bankruptcy Court, (b) is specifically designated as a contract or lease to be rejected on a schedule of contracts and leases filed and served prior to commencement of the Confirmation Hearing, (c) is the subject of a separate (i) assumption motion filed by the Debtors or (ii)

rejection motion filed by the Debtors under section 365 of the Bankruptcy Code before the Confirmation Date, or (d) is the subject of a pending objection regarding assumption, cure, "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) or other issues related to assumption of the contract or lease (a "Cure Dispute").

2. Determination of Cure Disputes and Deemed Consent

Following the Petition Date, the Debtors will serve a notice on parties to executory contracts or unexpired leases to be assumed reflecting the Debtors' intention to assume the contract or lease in connection with the Plan and, where applicable, setting forth the proposed cure amount (if any). The proposed cure amount for any executory contract or unexpired lease not listed on the schedule shall be $0.

To the extent that an objection to assumption, cure, "adequate assurance of future performance," or other issues related to assumption of the contract or lease is filed within fifteen (15) days of service of notice of intent to assume or reject, and properly served on the Debtors with respect to the assumption of any contract or lease, then any Cure Dispute that is not scheduled for a hearing by the Bankruptcy Court on or before the date of the Confirmation Hearing shall be scheduled for a later date as may be determined by the Bankruptcy Court. Following resolution of a Cure Dispute by Final Order of the Bankruptcy Court, the contract or lease shall be deemed assumed effective as of the Effective Date, provided, however, that the Debtors reserve the right to reject any such contract or lease following entry of a Final Order of the Bankruptcy Court resolving any such Cure Dispute, by filing a notice indicating such rejection within 3 Business Days of the entry of such Final Order.

3. Payment of Cure and Effect of Assumption of Contracts and Leases

Subject to resolution of any Cure Dispute, any monetary amounts by which any executory contract and unexpired lease to be assumed under the Plan is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtors upon assumption thereof.

To the extent that an objection is not timely filed and properly served on the Debtors with respect to the assumption of a contract or lease, then the counterparty to such contract or lease shall be deemed to have assented to (i) the Cure amount proposed by the Debtors and (ii) the assumption of the applicable executory contract or unexpired lease, notwithstanding any provision of such contract that (a) prohibits, restricts or conditions the transfer or assignment of such contract or (b) terminates or permits the termination of a contract as a result of any direct or indirect transfer or assignment of the rights of the Debtor under such contract or a change in the ownership or control of LodgeNet Interactive contemplated by the Plan, and shall forever be barred and enjoined from asserting such objection against the Debtors or terminated or modifying such contract on account of transactions contemplated by the Plan.

Assumption of any executory contract or unexpired lease pursuant to the Plan, or otherwise, shall result in the full release and satisfaction of any Claims or defaults, subject to satisfaction of the Cure, whether monetary or nonmonetary, including defaults of provisions

restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time before the effective date of assumption. Any proofs of claim filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court or any other entity.

4. Rejection Claims

In the event that the rejection of an executory contract or unexpired lease by any of the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a timely filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors, or their respective properties or interests in property as agents, successors or assigns, unless a proof of claim is filed with the Bankruptcy Court and served upon counsel for the Debtors and the Reorganized Debtors no later than thirty (30) days after (i) the date of entry of an order by the Bankruptcy Court approving such rejection, or (2) the date of the filing of a notice by the Debtors after the Effective Date indicating such rejection in accordance with section 8.2 of the Plan. The Confirmation Order shall constitute the Bankruptcy Court's approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts.

5. Survival of the Debtors' Indemnification Obligations

Any obligations of the Debtors pursuant to their corporate charters, bylaws, or other organizational documents to indemnify current and former officers, directors, agents and/or employees with respect to all present and future actions or omissions, suits and proceedings against the Debtors or such directors, officers, agents and/or employees, based upon any act or omission occurring at or prior to the Effective Date for or on behalf of the Debtors shall not be discharged or impaired by confirmation of the Plan provided that the Reorganized Debtors shall not indemnify directors of the Debtors for any Claims or Causes of Action arising out of or relating to any act or omission that is a criminal act or constitutes intentional fraud. All such obligations shall be deemed and treated as executory contracts to be assumed by the Debtors under the Plan and shall continue as obligations of the Reorganized Debtors. Any claim based on the Debtors' obligations under the Plan shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code.

In addition, after the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce the coverage under any directors' and officers' insurance policies (including any "tail policy") in effect as of Petition Date, and all directors and officers of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such directors and/or officers remain in such positions after the Effective Date.

6. Survival of Other Employment Arrangements

Except and to the extent previously assumed or rejected by an order of the Bankruptcy Court entered on or before the Effective Date, all employee compensation and benefit plans entered into before or after the Petition Date and not since terminated shall be

deemed to be, and shall be treated as if they were, executory contracts to be assumed pursuant to the Plan. The Debtors' obligations under such plans and programs shall survive confirmation of the Plan, except for (a) executory contracts or employee benefit plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code) and (b) such executory contracts or employee benefit plans as have previously been rejected, are the subject of a motion to reject as of the Effective Date, or have been specifically waived by the beneficiaries of any employee benefit plan or contract. Notwithstanding anything in section 8.5 of the Plan to the contrary, any equity incentive plans of any of the Debtors, and any stock option, restricted stock or other equity agreements and any stock appreciation rights or similar equity incentives or equity based incentives or other obligations or liabilities the value of which depend on the price of, or distributions paid with respect to, equity securities, shall be cancelled as of the Effective Date and the Debtors shall have no liability or responsibility in respect of such equity interests.

Prior to the Petition Date, the Debtors entered into agreements with certain key employees, including a key employee incentive plan (the "KEIP"), providing incentive pay for approximately seven employees of the Debtors, and a key employee retention plan (the "KERP"), providing retention bonuses to approximately 43 of the Debtors' employee. Subject to the terms of the KEIP Agreements, the KEIP participants received commitment amounts prior to the Petition Date and under the terms of the KEIP are required to receive incentive awards based on quarterly financial targets in 2013 and continued employment with the Debtors until the earlier of the Effective Date and July 31, 2013. Assuming that 100% of the incentive bonuses are paid to the KEIP participants, the total estimated cost of the KEIP program, including the commitment amounts, would be approximately $365,000 to $1,460,833 depending on the financial results. Subject to the terms of the KERP Agreements, the KERP participants received commitment amounts prior to the Petition Date and under the terms of the KERP are required to receive retention bonuses following the earlier of the Effective Date and July 31, 2013. The total estimated cost of the KERP program if all participants were to receive full awards thereunder would be approximately $1,400,046.[3]

7. Insurance Policies

All insurance policies pursuant to which the Debtors have any obligations in effect as of the date of the Confirmation Order shall be deemed and treated as executory contracts pursuant to the Plan and shall be assumed by the respective Debtors and Reorganized Debtors and shall continue in full force and effect. All other insurance policies shall revest in the Reorganized Debtors.

[3] Under the Plan Support and Lock-Up Agreement, the Consenting Lenders have expressly reserved their rights to object to, or otherwise oppose, any motion seeking approval of (i) any key employee incentive plan, (ii) any severance-related plan to the extent it relates to the participants in any key employee incentive plan or (iii) any similar motions related thereto; provided, however, the Consenting Lenders shall not object to approval of a key employee retention plan for the "rank and file" on the terms disclosed in the Form 8-K filed by LodgeNet Interactive on November 28, 2012. The Consenting Lenders have informed the Debtors that the Consenting Lenders may seek a determination from the Bankruptcy Court regarding the Debtors' actions or intentions with respect to assumption or making payments under the KEIP.

8. Workers' Compensation Programs

Except as otherwise expressly provided in the Plan, as of the Effective Date, the Debtors and the Reorganized Debtors shall continue to honor their obligations under (i) all applicable workers' compensation laws in states in which the Reorganized Debtors operate and (ii) the Debtors' written contracts, agreements, agreements of indemnity, self-insurer workers' compensation bonds and any other policies, programs and plans regarding or relating to workers' compensation and workers' compensation insurance. All such contracts and agreements are treated as executory contracts under the Plan and on the Effective Date will be assumed pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, with a cure amount of zero

9. Reservation of Rights

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

Nothing in the Plan will waive, excuse, limit, diminish or otherwise alter any of the defenses, Claims, Causes of Action or other rights of the Debtors and the Reorganized Debtors under any executory or non executory contract or any unexpired or expired lease.

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

H. Conditions Precedent to the Effective Date

1. Conditions Precedent to the Effective Date

The occurrence of the Effective Date of the Plan is subject to the following conditions precedent:

a. the Bankruptcy Court shall have entered the Confirmation Order acceptable to the Debtors, Purchaser Representative (in accordance with Purchaser Representative's consent rights set forth in the Investment Agreement) and the Requisite Consenting Lenders (in accordance with Requisite Consenting Lenders' consent rights set forth in the Plan Support and Lock-Up Agreement) and such Confirmation Order shall have become a Final Order;

b. the conditions to closing set forth in section 10.1 of the Investment Agreement shall have been satisfied or waived in accordance with the terms thereof, and such Investment Agreement shall be in full force and effect;

c. there shall be no existing default under the Plan Support and Lock-Up Agreement, which default would permit the Requisite Consenting Lenders to terminate the Plan Support and Lock-Up Agreement (notwithstanding any cure periods), the Plan Support and

Lock-Up Agreement shall not have been terminated in accordance with the terms thereof, and such Plan Support and Lock-Up Agreement shall be in full force and effect;

d. the Definitive Documents, including all documentation related thereto, in substance consistent with the Exit Term Loan Term Sheet, and acceptable to the Debtors, Purchaser Representative (in accordance with Purchaser Representative's consent rights set forth in the Investment Agreement) and the Requisite Consenting Lenders (in accordance with Requisite Consenting Lenders' consent rights set forth in the Plan Support and Lock-Up Agreement), and shall be executed by all parties thereto;

e. the Debtors shall have received all authorizations, consents, regulatory approvals, rulings, no-action letters, opinions or documents necessary to implement the Plan and that are required by law, regulation, or order; and

f. the amended and restated certificate of incorporation for Reorganized LodgeNet Interactive shall have been filed with the Secretary of State of the State of Delaware.

2. Waiver of Conditions Precedent

Each of the conditions precedent in section 9.1 of the Plan may be waived in writing by the Debtors (with the prior consent of Purchaser Representative in accordance with the terms of the Investment Agreement and the Requisite Consenting Lenders in accordance with the terms of the Plan Support and Lock-Up Agreement), solely without notice or order of the Bankruptcy Court.

3. Effect of Failure of Conditions

If the conditions specified in section 9.1 of the Plan have not been satisfied or waived in the manner provided in the Plan by the date that is thirty (30) days after the Confirmation Date, then: (a) the Confirmation Order shall be of no further force or effect; (b) no distributions under the Plan shall be made; (c) the Debtors and all holders of Claims (including DIP Claims) and Interests in the Debtors shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred; (d) all of the Debtors' obligations with respect to the Claims (including DIP Claims) and Interests shall remain unaffected by the Plan and nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims (including DIP Claims) by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors; and (e) the Plan shall be deemed withdrawn.

I. Effect of Confirmation

1. Vesting of Assets

On the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of the Debtors' estates shall vest in the Reorganized Debtors free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided pursuant to the Plan, the Confirmation Order, the Exit Loan Agreement, the Exit Revolver Agreement and the

Amended and Restated Guarantee and Collateral Agreement. Except as otherwise provided in the Plan, each of the Debtors, as Reorganized Debtors, shall continue to exist on and after the Effective Date as separate legal entity with all of the powers available to such legal entity under applicable law, without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) in accordance with such applicable law. The Reorganized Debtors may operate their businesses and may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided in the Plan.

2. Binding Effect

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Interest in, the Debtors, and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

3. Discharge of Claims and Termination of Interests.

Except as otherwise provided in the Plan, effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property or estates; (b) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all entities shall be precluded from asserting against the Debtors, the Debtors' estates, the Reorganized Debtors, their successors and assigns and their assets and properties any other Claims or Interests based upon any documents, instruments or any act or omission, transaction or other activity of any kind or nature that occurred before the Effective Date.

4. Term of Injunctions or Stays.

Unless otherwise provided, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

5. Injunction Against Interference with Plan.

From and after the Effective Date, all entities are permanently enjoined from commencing or continuing in any manner, any suit, action or other proceeding, on account of or respecting any claim, demand, liability, obligation, debt, right, cause of action, interest or remedy released or to be released pursuant to the Plan or the Confirmation Order.

6. Releases by the Debtors

As of the Effective Date, and in consideration for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors and the Estates from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, the Reorganized Debtors, the Estates or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Support and Lock-Up Agreement, the Investment Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement, or related agreements, instruments or other documents, the solicitation of votes with respect to the Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; except that nothing in this Section shall be construed to release any party or entity from intentional fraud or criminal conduct as determined by Final Order.

7. Releases By Holders of Claims and Interests

As of the Effective Date, and in consideration for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each Releasing Party, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Debtors, the Reorganized Debtors and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Support and Lock-

Up Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement, the Investment Agreement, or related agreements, instruments or other documents, the solicitation of votes with respect to the Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; except that nothing in this Section shall be construed to release any party or entity from intentional fraud or criminal conduct as determined by Final Order.

8. Exculpation

No Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from any claim, obligation, cause of action or liability for any claim in connection with or arising out of, the administration of the Chapter 11 Cases, the entry into the Plan Support and Lock-Up Agreement, the Investment Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement, and related documents and the consummation of the transactions contemplated therein, the negotiation and pursuit of the Plan, or the solicitation of votes for, or confirmation of, the Plan, the funding of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, and the issuance of securities under or in connection with the Plan or the transactions contemplated by the foregoing, except for willful misconduct or gross negligence, intentional fraud or criminal conduct, but in all respects such entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Debtors, the Reorganized Debtors, the DIP Lenders, the DIP Agent, the Prepetition Agent, the Prepetition Lenders, Colony Capital, Purchasers (and each of their respective affiliates, agents, directors, officers, employees, advisors and attorneys) have participated in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of the securities pursuant to the Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan, including the issuance of securities thereunder.

9. Retention of Causes of Action/Reservation of Rights

a. Except as otherwise provided in the Plan, including Sections 10.5, 10.6, 10.7 and 10.8 of the Plan, pursuant to section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce, sue on, settle or compromise (or decline to do any of the foregoing) all claims, rights, causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their estates may hold against any person or entity without the approval of the Bankruptcy Court, including, without limitation, (i) any and all Claims against any person or entity, to the extent such person or entity asserts a crossclaim, counterclaim and/or Claim for setoff which seeks affirmative relief against the Debtors, the Reorganized Debtors, their officers, directors or representatives; and (ii) the turnover of any property of the Debtors' estates; provided, however that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties. The Reorganized Debtors or their successor(s) may pursue such retained claims, rights, or causes of action, suits or proceedings, as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

b. Except as otherwise provided in the Plan, including sections 10.5, 10.6, 10.7 and 10.8 of the Plan, nothing contained in the Plan or in the Confirmation Order shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, right of setoff or other legal or equitable defense which the Debtors had immediately before the Petition Date, against or with respect to any Claim left Unimpaired by the Plan; provided, however that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties. The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, rights of setoff and other legal or equitable defenses which they had immediately before the Petition Date with respect to any Claim left Unimpaired by the Plan as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any Claim left Unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

10. Solicitation of the Plan

As of the Effective Date, the Debtors (a) shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including without limitation, sections 1125(a) and (e) of the Bankruptcy Code, and any applicable non-bankruptcy law, rule or regulation governing the adequacy of disclosure in connection with such solicitation and (b) each of their respective directors, officers, employees, affiliates, agents, financial advisors, investment bankers, professionals, accountants and attorneys shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Plan, and therefore are not, and on account of such offer, issuance and solicitation will not be, liable at any time for any violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of any securities under the Plan.

11. Plan Supplement

The Plan Supplement will be filed with the Clerk of the Bankruptcy Court by no later than five Business Days before the Confirmation Hearing. Upon its filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Documents to be included in the Plan Supplement will be posted at the website of the Debtors' notice, claims and solicitation agent as they become available, but no later than five Business Days before the Confirmation Hearing.

J. Jurisdiction and Governing Law

On and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising in, arising under, and related to the Chapter 11 Cases for, among other things, the following purposes:

1. to hear and determine motions and/or applications for the assumption or rejection of executory contracts or unexpired leases and the allowance, classification, priority, compromise, estimation or payment of Claims resulting therefrom;

2. to determine any motion, adversary proceeding, application, contested matter and other litigated matter pending on or commenced after the Confirmation Date;

3. to ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;

4. to consider Claims or the allowance, classification, priority, compromise, estimation or payment of any Claim;

5. to enter, implement or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

6. to issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

7. to hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

8. to hear and determine all applications under sections 330, 331 and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred before the Confirmation Date;

9. to hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan, the Plan Supplement, the Confirmation Order, any transactions or payments contemplated by the Plan, or any agreement, instrument or other document governing or relating to any of the foregoing;

10. to take any action and issue such orders as may be necessary to construe, interpret, enforce, implement, execute and consummate the Plan or to maintain the integrity of the Plan following consummation;

11. to hear any disputes arising out of, and to enforce, the order approving alternative dispute resolution procedures to resolve personal injury, employment litigation and similar claims pursuant to section 105(a) of the Bankruptcy Code;

12. to determine such other matters and for such other purposes as may be provided in the Plan or in the Confirmation Order;

13. to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code);

14. to adjudicate, decide or resolve any Causes of Actions;

15. to adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;

16. to resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim for amounts not timely repaid;

17. to adjudicate any and all disputes arising from or relating to distributions under the Plan;

18. to hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code;

19. to enter a final decree closing the Chapter 11 Cases;

20. to recover all assets of the Debtors and property of the Debtors' estates, wherever located; and

21. to hear and determine any rights, Claims or causes of action held by or accruing to the Debtors pursuant to the Bankruptcy Code or pursuant to any federal statute or legal theory.

VI. REORGANIZED LODGENET

A. Projections

The Debtors, with the assistance of their financial advisors, have prepared a pro forma balance sheet reflecting the projected assets, liabilities and shareholder equity of the Reorganized Debtors, on a consolidated basis, as of the Effective Date (the "Balance Sheet of Reorganized LodgeNet Interactive"). In addition, Col-L Acquisition has developed selected income statement, balance sheet and cash flow information, on a consolidated basis, reflecting implementation of their business plan for the Reorganized Debtors (the "Projected Statements" and, collectively with the Balance Sheet of Reorganized LodgeNet Interactive, the "Financial Projections"). The Financial Projections are attached hereto as Exhibit "D". Actual results and values may vary from the Financial Projections.

1. Overview of Financial Projections

As a condition to Confirmation of the Plan, the Bankruptcy Code requires, among other things, that the Bankruptcy Court find that the Plan is feasible, which essentially means that consummation of the Plan is not likely to be followed by either a liquidation or the need to further reorganize the Reorganized Debtors.

The Financial Projections are only estimates and actual results may vary considerably. Consequently, the inclusion of the Financial Projections herein should not be regarded as a representation by the Debtors, the Debtors' management, the Debtors' financial advisors, Colony Capital, Colony Capital's management, Colony Capital's financial advisors, any Purchaser or any other person that the projected results of operations, financial position, and

cash flows of the Reorganized Debtors will be achieved. There is no intention to update or otherwise revise the Financial Projections to reflect circumstances that may occur after their preparation, or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Additional information relating to the principal assumptions used in preparing the Financial Projections is set forth below.

In general, as illustrated by the Financial Projections, Col-L Acquisition believes that, with a significantly more flexible capital structure, longer-dated maturity of debt and the additional capital contribution by Purchasers upon the Effective Date, the Reorganized Debtors' business will be a viable business with long-term prospects. As a result, Col-L Acquisition believes that the Reorganized Debtors will have sufficient liquidity to fund obligations as they arise, thereby maintaining the value of the business. Accordingly, the Debtors believe the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

THE FINANCIAL PROJECTIONS ARE BASED UPON A NUMBER OF SIGNIFICANT ASSUMPTIONS. ACTUAL OPERATING RESULTS AND VALUES MAY VARY SIGNIFICANTLY FROM THESE FINANCIAL PROJECTIONS. THE DEBTORS DID NOT PREPARE AND NONE OF THE PURCHASERS OR THEIR AFFILIATES PREPARED THE FINANCIAL PROJECTIONS WITH A VIEW TOWARDS COMPLYING WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS. THE DEBTORS' INDEPENDENT AUDITOR HAS NOT COMPILED OR EXAMINED THE FINANCIAL PROJECTIONS TO DETERMINE THE REASONABLENESS THEREOF AND, ACCORDINGLY, HAS NOT EXPRESSED AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT THERETO. THE DEBTORS DO NOT, AS A MATTER OF COURSE, PUBLISH FINANCIAL PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITION, RESULTS OF OPERATIONS, OR CASH FLOWS. ACCORDINGLY, NEITHER THE DEBTORS NOR THE PURCHASERS INTEND TO, AND EACH DISCLAIMS ANY OBLIGATION TO: (A) FURNISH UPDATED FINANCIAL PROJECTIONS TO HOLDERS OF CLAIMS OR INTERESTS PRIOR TO THE EFFECTIVE DATE OR TO ANY OTHER PARTY AFTER THE EFFECTIVE DATE; (B) INCLUDE ANY SUCH UPDATED INFORMATION IN ANY DOCUMENTS THAT MAY BE REQUIRED TO BE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION; OR (C) OTHERWISE MAKE SUCH UPDATED INFORMATION PUBLICLY AVAILABLE.

2. General Assumptions and Methodology for Pro Forma Balance Sheet as of the Effective Date

The Balance Sheet of Reorganized LodgeNet Interactive (attached hereto in Section 1 of Exhibit "D"), was prepared in good faith by the Debtors based on certain estimates and assumptions. More specifically, the Balance Sheet was prepared based on the following assumptions:

- Fresh start accounting is adopted as of the Effective Date.
- The Plan is confirmed and consummated.
- The Effective Date of the Plan is March 31, 2013.

- Assumptions as noted on the Pro Forma Balance Sheet dated March 31, 2013 attached in Section 1 of Exhibit D
- No valuation has been performed to determine fair value of any of the assets. Accordingly, all estimates are subject to revision in connection with valuation in support of a fresh start audit

Any significant delay in the Effective Date past March 31, 2013 may have an adverse impact on the Debtors' business operations and financial performance, including, an increased risk of inability to meet revenue forecasts and the incurrence of higher restructuring expenses.

3. General Assumptions and Methodology for Projected Statements Following the Effective Date

In connection with preparing their offer, evaluating the Debtors' businesses, and engaging in negotiations with the Debtors and the Prepetition Lenders, Col-L Acquisition prepared a business plan for the Reorganized Debtors and certain select income statement, cash flow statement and balance sheet items projecting implementation of their business plan. This information is included in the Projected Statements and was prepared as of December 31st for each year for calendar years 2013 through 2017. The Projected Statements are attached hereto in Section 2 of Exhibit "D". The Projected Statements were prepared based on the assumption that the Plan is consummated in accordance with its terms and that all transactions contemplated thereby will be consummated on or about March 31, 2013. Col-L Acquisition has informed the Debtors that, in preparing its business plan and projections, Col-L Acquisition and its Affiliates relied on the Debtor's historical financial information and financial projections, as modified to reflect anticipated changes in Reorganized LodgeNet Interactive's business operations, including implementation of the DIRECTV Agreement. Any significant delay in the Effective Date may have an adverse impact on the Debtors' business operations and financial performance, including, an increased risk of inability to meet revenue forecasts and the incurrence of higher restructuring expenses.

Col-L Acquisition has indicated that, following the Effective Date, it may make certain changes to the business and operations of the Reorganized Debtors, including strengthening relationships with hotel and content partners; fundamentally changing LodgeNet Interactive's approach to equipment and content financing; enhancing the customer experience through new product and content offerings; and developing a sophisticated private advertising network to generate advertising sales revenues. More specifically, Col-L Acquisition's business plan for the Reorganized Debtors is focused on enacting three fundamental changes to the Company's existing strategy and business model:

- Through the new DIRECTV Agreement, Col-L Acquisition plans to implement a leasing facility to replace costly capital expenditure subsidies and plans to add a tiered pricing model to stem losses to cable providers.
- Col-L Acquisition plans for the Reorganized Debtors to change the content offering mix to feature more short-form content (TV series, games, Apps, etc.) at lower price points. These changes are expected to

drive increases in guest take-rates, increasing guest entertainment revenue.

- Col-L Acquisition also aims to better exploit the advertising opportunity inherent to a business serving a large customer base with attractive demographic characteristics. Advertising revenue through ad insertion is a proven model in many commercial venues, and Col-L Acquisition plans to position Reorganized Debtors as a platform upon which hotels and other strategic partners may market their own individual brands.

In preparing the Projected Statements, Col-L Acquisition has made a number of significant assumptions, including with respect to the following:

- The number of guest entertainment rooms reached by the Reorganized Debtors' products and services
- Rate at which guest entertainment rooms are upgraded
- Revenue per room per month
- Gross profit margins
- Annual projected cost savings in systems operations and selling, general and administrative expenses
- Additional restructuring, relocation and acquisition costs
- Reduction in capital expenditures
- Entry into the new DIRECTV Agreement

Although these assumptions were made on a good faith basis by Col-L Acquisition in preparing the Financial Projections, actual operating results and values may differ from the Financial Projections. Without limitation, there is no assurance that anticipated changes in Reorganized LodgeNet Interactive's business operations will be achieved. Moreover, nothing in the Financial Projections reflects any potential adjustments required under the Liquidity Adjustment. The Debtors' management and advisors have not conducted diligence regarding Col-L Acquisition's Projected Statements and do not make any representation regarding the achievability of such results.

B. Board of Directors and Management

1. Board of Directors. Upon and following the Effective Date, the New Board and the boards of directors for each of the Reorganized Subsidiary Debtors shall comprise such number of directors as determined by the Purchaser Representative. The members of the New Board and the new boards of each of the Reorganized Subsidiary Debtors will be identified no later than the Confirmation Hearing in accordance with section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, the terms of the current members of the boards of directors of the Debtors shall expire.

2. Directors and Officers of the Reorganized Debtors. Except as otherwise provided in the Plan Supplement or as determined by Purchaser Representative prior to the Confirmation Hearing, the officers of the respective Reorganized Debtors immediately before the Effective Date shall serve as the initial officers of each of the respective Reorganized Debtors on

or after the Effective Date and in accordance with any employment agreement with the Reorganized Debtors and applicable non-bankruptcy law. After the Effective Date, the selection of officers of the Reorganized Debtors shall be as provided by their respective organizational documents.

VII. SECURITIES LAW MATTERS

The issuance of and the distribution under the Plan of (i) New Common Stock to Purchasers and any designees, under section 5.2 of the Plan, and (ii) warrants to purchase New Common Stock pursuant to Schedule C to the Investment Agreement under section 5.2 of the Plan shall be exempt from registration under the Securities Act of 1933, as amended, and other applicable securities laws without further act or action by any Person pursuant to section 4(a)(2) of the Securities Act of 1933, as amended.

VIII. CERTAIN RISK FACTORS TO BE CONSIDERED

Documents filed with the SEC may contain important risk factors that differ from those discussed below. Copies of any document filed with the SEC may be obtained by visiting the SEC website at http://www.sec.gov and performing a search under the "Filings & Forms (EDGAR)" link.

A. Certain Bankruptcy Law Considerations

1. Non-Confirmation of Plan

Although the Debtors believe that the Plan will satisfy all requirements necessary for Confirmation by the Bankruptcy Court in accordance with the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications will not necessitate the re-solicitation of votes.

2. Non-Occurrence or Delayed Occurrence of the Effective Date

Although the Debtors believe that the Effective Date will occur within 30 days after the Confirmation Date following satisfaction of any applicable conditions precedent, there can be no assurance as to the timing of the Effective Date. If the conditions precedent to the Effective Date set forth in the Plan have not occurred by the date that is thirty (30) days after the Confirmation Date or otherwise have been waived as set forth in Section 9.2 of the Plan, then the Confirmation Order will be vacated, in which event no distributions would be made under the Plan, the Debtors and all holders of Claims (including DIP Claims) and Interests would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Debtors' obligations with respect to Claims and Interests would remain unchanged.

B. Risks to Recovery by Holders of the Exit Term Loans

1. Amount of Trade Claims and General Unsecured Claims against Debtors Could Be Greater than Projected

The Plan provides that the Debtors will pay all Allowed General Unsecured Claims in full in cash. To the extent the Allowed General Unsecured Claims incurred prior to the Petition Date are greater in amount than projected, the Debtors may have less cash available for general business operations.

2. The Investment Agreement Contains Conditions to Effectiveness.

The Investment Agreement contains several termination events and conditions precedent to effectiveness, including, the execution of definitive documents regarding the Exit Loan Agreement, the Exit Revolver Agreement, the new DIRECTV Agreement, an Intercreditor Agreement between the lenders under the Exit Loan Agreement and the lender(s) under the Exit Revolver Agreement and an Intercreditor Agreement among the lenders under the various loan agreements and DIRECTV. Further, the Investment Agreement provides that if the liquidity of the Debtors is below certain benchmarks specified in Liquidity Annex attached to the Investment Agreement, the Purchasers will not be obligated to close the transaction. If any of the conditions set forth in the Investment Agreement are not satisfied, it is possible that the Investment Agreement will be terminated and the conditions to the occurrence of the Effective Date set forth in the Plan will not be satisfied.

3. Amount of Interest To Be Paid Post-Effective Date on Exit Term Loan.

The Exit Term Loan Term Sheet provides that the aggregate amount of interest that will accrue and be payable to the lenders under the Exit Loan Agreement shall be subject to Liquidity Adjustment defined above. The Liquidity Adjustment provides that for every $1 that the Actual Liquidity (as defined in Annex C of the Exit Term Loan Term Sheet) is less than a specified benchmark (as specified in Annex C of the Exit Term Loan Term Sheet), there will be a corresponding reduction in the amount of interest due and payable by Reorganized LodgeNet Interactive to the lenders under the Exit Loan Agreement, up to a maximum reduction of $25,000,000; provided that Reorganized LodgeNet Interactive will pay in cash accrued interest at a rate not less than 1.00% *per annum* on each interest payment date. The Debtors are unable to determine the amount of Actual Liquidity that will exist upon the Effective Date, and as a result cannot project whether, and by how much, the interest payable to the lenders under the Exit Term Loan will be reduced.

4. Risks Associated with the Debtors' Business and Industry

The risks associated with Debtor's business and industry are more fully described in LodgeNet Interactive's SEC filings, including:

- Form 10-K for the fiscal year ended December 31, 2011, filed with the SEC on March 15, 2012;

- Form 10-Q for the quarterly period ended March 31, 2012, filed with the SEC on May 9, 2012;
- Form 10-Q for the quarterly period ended June 30, 2010, filed with the SEC on August 8, 2012;
- Form 10-Q for the quarterly period ended September 30, 2012, filed with the SEC on November 9, 2012; and
- Forms 8-K filed with the SEC on November 28, 2012, December 17, 2012 and December 31, 2012 (including Forms 8-K/A).

The Debtors experienced sustained revenue decline and net losses on an annual basis from 2009 through 2012. This decline is attributable, in part, to the following factors:

- Significant declines in hotel occupancy rates
- Continued low levels of new hotel construction
- Continued de-installation activity resulting in fewer hotel rooms in which the Debtors' services are available
- The popularity, availability, timeliness and amount of content offered at a given hotel property
- The availability of alternative programming and the increased usage of portable devices resulting in a reduction of guest demand for Debtors' services

5. The Financial Projections are Based on Significant Assumptions

The Financial Projections (attached hereto in Exhibit "D") were not compiled, audited, or examined by independent accountants and none of the Purchasers or any of their Affiliates or the Debtors make any representations or warranties regarding the accuracy of the projections or the ability to achieve forecasted results. Many of the assumptions underlying the projections are subject to significant uncertainties and are beyond the control of Purchasers and the Debtors, including, but not limited to, sales, costs, inflation, and other anticipated market, competitive and economic conditions. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate financial results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections may be inaccurate in a material respect. Therefore, the actual results achieved may vary significantly from the forecasts, and the variations may be material.

In particular, the risks associated with Col-L Acquisition's Projected Statements (attached hereto in Section 2 of Exhibit D) include the following:

- The number of hotel rooms in which the Debtors' provide services and the usage rate per room have declined over the past two years. Should the current trends continue downward, the projected revenues may not materialize.
- The introduction of new technologies could result in material changes in the economics, regulations, intellectual property usage and technical

platforms on which the Debtors' business relies. While the Debtors mitigate risks by continually designing, engineering and developing products and systems which can be upgraded to support new services or integrated with new technologies, there can be no assurance that the Debtors will continue to be successful in these efforts.

- A significant portion of the projected growth is expected to come from new product and service offerings, which by their very nature are uncertain.
- A portion of expected cost decreases and savings are based on executing or revising contracts with service providers and other third parties. Not all of these contracts or arrangements have been finalized.
- The business plan relies on the execution of a satellite agreement on the same terms as the memorandum of understanding with DIRECTV and such agreement is critical to the future strategy of the business.
- Under new ownership, the relationship between the Company and its customers and vendors may materially change.
- Management of the Reorganized Debtors may relocate all or part of the Reorganized Debtors out of Sioux Falls, South Dakota, which would result in a different geographic and business continuity risk profile.
- If a relocation occurs, critical employees may not choose to stay with the Reorganized Debtors.
- Management of the Reorganized Debtors may change the name of LodgeNet Interactive and the impact of such a change is unknown.
- The composition, skills and experience of the future management team may be different than the Debtor's prepetition management team.

6. Unforeseen Events

Future performance of Reorganized LodgeNet Interactive is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. While no assurance can be provided, based upon the current level of operations and anticipated revenue and cash flows described in the Financial Projections, the Debtors believe that cash flow from operations and available cash will be adequate to fund the Plan and meet their future liquidity needs.

IX. VOTING PROCEDURES AND REQUIREMENTS

Ballots have been provided for holders of Claims in Class 2 as of January 2, 2013 (the "Voting Record Date") to vote to accept or reject the Plan. Because all other Classes are either (a) unimpaired and deemed to accept, or (b) impaired and deemed to reject, no other Classes of Claims or Interests are entitled to vote.

Each Ballot contains detailed voting instructions. Each Ballot also sets forth in detail, among other things, the deadlines, procedures, and instructions for voting to accept or reject the Plan, the Voting Record Date for voting purposes, and the applicable standards for tabulating Ballots.

The Debtors have engaged Kurtzman Carson Consultants, LLC as their Voting and Solicitation Agent to assist in the transmission of voting materials and in the tabulations of votes with respect to the Plan. It is important that holders of Claims in Class 2 timely exercise their right to vote to accept or reject the Plan.

Delivery of a Ballot by facsimile, e-mail or any other electronic means will not be accepted. Ballots should be returned with an original signed copy to:

By First Class Mail, Overnight Courier or Personal Delivery:

LodgeNet Claims Processing Center
KCC
2335 Alaska Avenue
El Segundo, CA 90245

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AND SOLICITATION AGENT NO LATER THAN FEBRUARY 4, 2013 AT 5:00 PM (PACIFIC TIME).

ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL BE COUNTED AS AN ACCEPTANCE.

X. CONFIRMATION OF THE PLAN

A. Confirmation Hearing

The Debtors will serve a separate notice of the date, time, and place of the Confirmation Hearing. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the Confirmation Hearing or any subsequent adjournment of that hearing.

B. Objections to Confirmation

Any objection to the confirmation of the Plan must (i) be written in English, (ii) conform to the Bankruptcy Rules, (iii) set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the particular Debtor or Debtors, the basis for the objection and the specific grounds therefor, and (iv) be filed with the Bankruptcy Court, with a copy to Chambers, together with proof of service thereof, and served upon and received no later than the date and time set by the Bankruptcy Court by:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attn: Gary T. Holtzer, Esq.

The Office of the United States Trustee
33 Whitehall Street, 21st Floor
New York, NY 10004
Attn: Paul Schwartzberg, Esq.

Liner Grode Stein LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024
Attn: Joshua Grode, Esq.

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004-2498
Attn: Andrew G. Dietderich, Esq. and Alexandra Korry, Esq.

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Michael S. Stamer Esq. and Philip C. Dublin Esq.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Objections to confirmation of a plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION OF THE PLAN IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of the Plan

The Plan will not constitute a valid, binding contract between the Debtors and their Creditors and Interest Holders until the Bankruptcy Court has entered a Final Order confirming the Plan. The Bankruptcy Court must hold the Confirmation Hearing before deciding whether to confirm the Plan.

1. Section 1129(a) of the Bankruptcy Code

a. Requirements

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements specified in section 1129 of the Bankruptcy Code. If the Bankruptcy Court determines that those requirements are satisfied, it will enter an order confirming the Plan.

The Debtors believe that the Plan satisfies all of the statutory requirements of chapter 11 of the Bankruptcy Code, that the Debtors have complied or will have complied with all of the requirements of the Bankruptcy Code, and that the Plan is proposed in good faith.

b. Acceptance

Pursuant to section 1126(f) of the Bankruptcy Code, holders of unimpaired claims or interests are conclusively deemed to have accepted a plan. Accordingly, their votes are not solicited. Classes 1 and 3 through 6 of the Plan are unimpaired. As a result, holders of Claims in those Classes are conclusively deemed to have accepted the Plan and are not entitled to vote.

Holders of impaired claims and interests are entitled to vote on a plan, and therefore, must accept a plan in order for it to be confirmed without the application of the "unfair discrimination" and "fair and equitable" tests to such classes. A class of interests is deemed to have accepted a plan if the plan is accepted by at least two-thirds (⅔) in amount of each such class (other than any interests designated under section 1126(e) of the Bankruptcy Code) and a majority in number of holders that has voted to accept or reject the plan. Interests in Class 2 are impaired and entitled to vote to accept or reject the Plan.

Under certain circumstances, a class of claims or interests may be deemed to reject a plan of reorganization (such as where holders of claims or interests in such class do not receive any recovery under a chapter 11 plan). Classes 7 and 8 under the Plan are deemed to have rejected the Plan.

c. Best Interests Test

With respect to each impaired class of claims and interests, confirmation of a plan requires that each such holder either (i) accept the plan or (ii) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the debtor were liquidated under chapter 7 of the Bankruptcy Code. This requirement is referred to as the "best interests test." This analysis requires the Bankruptcy Court to determine what the holders of allowed claims and allowed interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of a liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and interests under the plan.

In a chapter 7 liquidation, the cash available for distribution to creditors would consist of the proceeds resulting from the disposition of the unencumbered assets of the debtor, augmented by the unencumbered cash held by the debtor at the time of the commencement of the liquidation case. Such cash amount would be reduced by the costs and expenses of the liquidation, including, but not limited, to the appointment of a trustee and the trustee's employment of attorneys and other professionals, and by such additional administrative and priority claims that may result from the termination of the debtor's business and the use of chapter 7 for the purpose of liquidation.

The liquidation analysis performed by the Debtors with the assistance their financial advisors is attached hereto as Exhibit "E".

Based on the analysis performed by the Debtors with the assistance of their financial advisors, Debtors submit that each impaired Class will receive under the Plan a recovery at least equal in value to the recovery such Class would receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

d. Feasibility

The Bankruptcy Code permits a chapter 11 plan to be confirmed if it is not likely to be followed by liquidation or the need for further financial reorganization, other than as provided in such plan. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. With the exception of the Prepetition Lender Claims, the Plan provides for payment in full, in cash, of all prepetition claims. The Prepetition Lender Claims will be satisfied in full by participation in the Exit Term Loan, which extends the maturity and modifies certain terms of the Prepetition Credit Agreement. As demonstrated by the Financial Projections set forth in Exhibit "D" and described more fully in Section VI hereof, the Debtors believe that they will be able to make all payments required pursuant to the Plan and that the confirmation of the Plan is not likely to be followed by additional liquidation or the need for further reorganization.

2. Unfair Discrimination and Fair and Equitable Tests

The Bankruptcy Court may confirm a plan of reorganization over the rejection or deemed rejection of the plan of reorganization by a class of claims or equity interests. To obtain such confirmation, it must be demonstrated to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such dissenting impaired classes. A plan does not discriminate unfairly if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class receives more than it is entitled to for its claims or equity interests. The Debtors believe that the Plan satisfies this requirement.

The Bankruptcy Code establishes different "fair and equitable" tests for secured claims, unsecured claims and equity interests, and allows for a "cramdown" of the Plan, as follows:

- Secured Claims: Either the plan must provide (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims, and each holder of a claim receives deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder's interest in the estate's interest in such property; (ii) for the sale of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale; or (iii) for the realization by such holders of the indubitable equivalent of such claims.

- Unsecured Claims: Either (i) each holder of an impaired unsecured claim receives or retains under the plan property of a value equal to the amount of

its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

- Equity Interests. Either (i) each equity interest holder will receive or retain under the plan property of a value equal to the greater of (x) the fixed liquidation preference or redemption price, if any, of such stock or (y) the value of the stock, or (ii) the holders of interests that are junior to the stock will not receive any property under the plan.

The Bankruptcy Code permits the Bankruptcy Court to confirm a chapter 11 plan of reorganization over the dissent of any class of claims or equity interests as long as the standards in section 1129(b) are met. This power to confirm a plan over dissenting classes – often referred to as "cramdown" – is an important part of the reorganization process. It assures that no single group (or multiple groups) of claims or interests can block a restructuring that otherwise meets the requirements of the Bankruptcy Code and is in the interests of the other constituents in the case. The Debtors will seek confirmation of the Plan, notwithstanding the deemed rejection of the Plan by the holders of the Interests.

XI. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Liquidation Under Chapter 7

If no chapter 11 plan can be confirmed, the chapter 11 cases may be converted to cases under chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effect that a chapter 7 liquidation would have on the recoveries of holders of Claims is set forth in Exhibit E of this Disclosure Statement. The Debtors believe that liquidation under chapter 7 would result in smaller distributions being made to creditors than those provided for in the Plan because (a) the likelihood that other assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion, (b) additional administrative expenses attendant to the appointment of a trustee and the trustee's employment of attorneys and other professionals, (c) additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations.

B. Alternative Plan

If the Plan is not confirmed, the Debtors, or any other party in interest (if the Debtors' exclusive period in which to file a plan has expired) could attempt to formulate a different plan. Such a plan might involve either a reorganization and continuation of the Debtors' business or an orderly liquidation of the Debtors' assets under chapter 11. The Debtors have concluded that the Plan enables creditors to realize the most value under the circumstances. In a liquidation under chapter 11, the Debtors would still incur the expenses associated with discontinuing the Debtors' businesses. The process would be carried out in a more orderly fashion over a greater period of time. Further, if a trustee were not appointed, because such appointment is not required in a chapter 11 case, the expenses for professional fees would most

likely be lower than those incurred in a chapter 7 case. Although preferable to a chapter 7 liquidation, the Debtors believe that liquidation under chapter 11 is a much less attractive alternative to creditors than the Plan because of the greater return provided by the Plan.

XII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to holders of certain Claims. This discussion does not address the U.S. federal income tax consequences to (i) holders of Claims who are unimpaired or otherwise entitled to payment in full in cash under the Plan, (ii) holders of Interests in LodgeNet Interactive, or (iii) the DIP Lenders.

The discussion of U.S. federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury regulations, judicial authorities, published positions of the Internal Revenue Service ("IRS") and other applicable authorities, all as in effect on the date of this document and all of which are subject to change or differing interpretations (possibly with retroactive effect). The U.S. federal income tax consequences of the contemplated transactions are complex and are subject to significant uncertainties. The Debtors have not requested a ruling from the IRS or any other tax authority, or an opinion of counsel, with respect to any of the tax aspects of the contemplated transactions, and the discussion below is not binding upon the IRS or such other authorities. Thus, no assurance can be given that the IRS or such other authorities would not assert, or that a court would not sustain, a different position from any discussed herein.

This summary does not address foreign, state or local tax consequences of the contemplated transactions, nor does it purport to address the U.S. federal income tax consequences of the transactions to special classes of taxpayers (*e.g.*, foreign taxpayers, small business investment companies, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, banks and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, holders that are, or hold Claims through, partnerships or other pass-through entities for U.S. federal income tax purposes, U.S. persons whose functional currency is not the U.S. dollar, dealers in securities or foreign currency, traders that mark-to-market their securities, expatriates and former long-term residents of the United States, persons subject to the alternative minimum tax, and persons holding Claims that are part of a straddle, hedging, constructive sale or conversion transaction). In addition, this discussion does not address U.S. federal taxes other than income taxes, nor does it apply to any person that acquires any of the Exit Term Loans in the secondary market.

This discussion assumes that the Prepetition Lenders Claims and the Exit Term Loans are held as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Tax Code, and that the various debt and other arrangements to which the Debtors are parties will be respected for U.S. federal income tax purposes in accordance with their form.

The following summary of certain U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon your individual circumstances.

Internal Revenue Service Circular 230 notice: To ensure compliance with Internal Revenue Service Circular 230, holders of Claims and Equity Interests are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and cannot be used, by holders of Claims or Equity Interests for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code; (b) such discussion is written in connection with the promotion or marketing by the Debtors of the transactions or matters addressed herein; and (c) holders of Claims and Equity Interests should seek advice based on their particular circumstances from an independent tax advisor.

A. Consequences to the Debtors

For U.S. federal income tax purposes, the Debtors are members of an affiliated group of corporations, of which LodgeNet Interactive is the common parent, which files a single consolidated U.S. federal income tax return (the "LodgeNet Group"). The LodgeNet Group has reported consolidated net operating loss ("NOL") carryforwards in excess of Six Hundred Thirty Million Dollars ($630,000,000.00) for U.S. federal income tax purposes as of the Petition Date. However, due to existing limitations, the Debtors estimate that only approximately One Hundred Forty-Six Million Dollars ($146,000,000.00) of such NOLS are effectively available to offset current or future income. The amount of any such NOL carryforwards and other losses, and the extent to which any limitations might apply, remains subject to audit and adjustment by the IRS.

As discussed below, in connection with the Plan, the amount of LodgeNet Group's available NOL carryforwards may be further restricted following the Effective Date, primarily as a result of the change in the ownership of the LodgeNet Group pursuant to the Plan.

1. Cancellation of Debt

In general, the Tax Code provides that a debtor in a bankruptcy case must reduce certain of its tax attributes – such as NOL carryforwards and current year NOLs, capital loss carryforwards, tax credits, and tax basis in assets – by the amount of any cancellation of debt ("COD") incurred pursuant to a confirmed chapter 11 plan. The amount of COD income incurred is generally the amount by which the indebtedness discharged exceeds the value of any consideration given in exchange therefor. Certain statutory or judicial exceptions may apply to limit the amount of COD incurred for U.S. federal income tax purposes. If advantageous, the debtor can elect to reduce the basis of depreciable property prior to any reduction in its NOL carryforwards or other tax attributes. Where the debtor joins in the filing of a consolidated U.S. federal income tax return, applicable Treasury regulations require, in certain circumstances, that the tax attributes of the consolidated subsidiaries of the debtor and other members of the group must also be reduced. Any reduction in tax attributes in respect of COD income generally does not occur until after the determination of the debtor's income or loss for the taxable year in which the COD is incurred.

The Debtors do not expect to incur substantial COD relative to the amount of its NOL carryforwards. Moreover, the Debtors do not expect the resulting attribute reduction to impair the amount of NOL carryforwards that would be permitted to be used following the Effective Date as a result of the change in the ownership of the LodgeNet Group pursuant to the Plan, as discussed below. The amount of COD incurred will depend primarily on the issue price of the Exit Term Loans (*see* "—Consequences to Holders of Claims—Ownership and Disposition of the Exit Term Loans—OID and Issue Price" below) being issued on the Effective Date.

2. Potential Application of AHYDO Provisions to the Exit Term Loans

The Exit Term Loans may be subject to the provisions of the Tax Code dealing with applicable high yield discount obligations ("AHYDOs"). These provisions can result in the deferral, and even disallowance, of an issuer's deduction of interest with respect to original issue discount ("OID"), including, in the case of the Exit Term Loans (if applicable to such loans), the ultimate deductibility of the stated interest (which, as discussed in XII.B.4 "—Consequences to Holders of Allowed Prepetition Claims —Ownership and Disposition of Exit Term Loans," will be treated in whole or substantial part as OID). A debt obligation is generally treated as an AHYDO if it is issued with substantial OID (meaning that there is accrued OID as of the close of the first accrual period ending after the fifth anniversary of issuance in excess of one year's interest, both actual and imputed), has a yield to maturity of at least five percentage points over the applicable federal rate in effect for the calendar month in which such notes are issued (which for January 2013 is 0.87% for mid-term obligations), and has a maturity of over five years.

Although substantially all of the stated interest on the Exit Term Loans is payable on a current basis in cash, if the issue price of the Exit Term Loans is lower than the face amount of such loans (due to the Exit Term Loans, or the loans for which they are exchanged, being traded on an established market and having a fair market value less than their face amount, *see* XII.B.4 "—Consequences to Holders of Allowed Prepetition Claims —Ownership and Disposition of Exit Term Loans"), it is possible that the Exit Term B Loans and/or the Exit Term A Loans (depending on the term of such loans) will have substantial OID and thus be subject to the AHYDO provisions. Accordingly, it is possible that any interest deductions in respect of the Exit Term Loans may be deferred (to the extent not treated as paid in cash) or disallowed. In this regard, it is uncertain how the cash payments of stated interest should be allocated as between the deferred/deductible portion of OID and the disallowed portion of OID.

3. Potential Limitations on NOL Carryforwards and Other Tax Attributes

Following the Effective Date, any remaining NOL carryforwards and certain other tax attributes (including current year NOLs) allocable to periods prior to the Effective Date (collectively, "Pre-Change Losses") will be subject to limitation. Any section 382 limitations apply in addition to, and not in lieu of, the attribute reduction that results from the COD arising in connection with the Plan. The Debtors believe that there will be substantial NOL carryforwards remaining after the implementation of the Plan to which section 382 of the Tax Code would apply.

Under section 382 of the Tax Code, if a corporation (or consolidated group) undergoes an "ownership change" and the corporation (as here) does not qualify for an exception, the amount of its Pre-Change Losses that may be utilized to offset future taxable income is subject to an annual limitation. The issuance of the stock of Reorganized LodgeNet to Purchasers pursuant to the Plan will constitute an "ownership change" of the LodgeNet Group.

In general, the amount of the annual limitation to which a corporation that undergoes an ownership change will be subject is equal to the product of (i) the fair market value of the stock of the corporation (up to the pre-change gross value of the corporation's assets) *immediately after* the ownership change (with certain adjustments) multiplied by (ii) the "long term tax exempt rate" in effect for the month in which the ownership change occurs (*e.g.*, 2.84% for ownership changes occurring in January 2013). As discussed below, this annual limitation often may be increased in the event the corporation (or consolidated group) has an overall "built-in" gain in its assets at the time of the ownership change.

Any portion of the annual limitation that is not used in a given year may be carried forward, thereby adding to the annual limitation for the subsequent taxable year. However, if the corporation does not continue its historic business or use a significant portion of its historic assets in a new business for at least two (2) years after the ownership change, the annual limitation resulting from the ownership change is reduced to zero, thereby precluding any utilization of the corporation's Pre-Change Losses, absent any increases due to recognized built-in gains discussed below.

a. Built In Gains and Losses

Section 382 of the Tax Code can operate to limit the deduction of certain "built-in" losses recognized subsequent to the date of the ownership change. If a loss corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income, gain, loss and deduction), then any built-in losses recognized during the following five (5) years (up to the amount of the original net unrealized built-in loss) generally will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. Conversely, if the loss corporation (or consolidated group) has a net unrealized built-in gain at the time of an ownership change, any built-in gains recognized (or, according to an IRS notice, treated as recognized) during the following five (5) years (up to the amount of the original net unrealized built-in gain) generally will increase the annual limitation in the year recognized, such that the loss corporation (or consolidated group) would be permitted to use its Pre-Change Losses against such built-in gain income in addition to its regular annual allowance. In general, a loss corporation's (or consolidated group's) net unrealized built-in gain or loss will be deemed to be zero unless the actual value is greater than the lesser of (i) Ten Million Dollars ($10,000,000.00) or (ii) fifteen percent (15%) of the fair market value of its assets (with certain adjustments) before the ownership change. It is expected that LodgeNet Group would be in a net unrealized built-in-gain position as of the Effective Date. However, due to the possibility that the LodgeNet Group was in a net built-in loss position at the time of one or more of its prior ownership changes, a portion of the Debtors' depreciation deductions for the remainder of the applicable 5-year recognition period may be limited as a result of such prior ownership changes.

4. Alternative Minimum Tax

In general, a U.S. federal alternative minimum tax ("AMT") is imposed on a corporation's alternative minimum taxable income at a twenty percent (20%) rate to the extent that such tax exceeds the corporation's regular U.S. federal income tax. For purposes of computing taxable income for AMT purposes, certain tax deductions and other beneficial allowances are modified or eliminated. In particular, even though a corporation otherwise might be able to offset all of its taxable income for regular tax purposes by available NOL carryforwards, only ninety percent (90%) of a corporation's (or consolidated group's) taxable income for AMT purposes may be offset by available NOL carryforwards (as computed for AMT purposes). Accordingly, usage of the Debtors' NOLs by the Debtors may be subject to limitations for AMT purposes in addition to any other limitations that may apply.

In addition, if a corporation (or group) undergoes an ownership change and is in a net unrealized built-in loss position (as determined for AMT purposes) on the date of the ownership change, the corporation's (or group's) aggregate tax basis in its assets is reduced for certain AMT purposes to reflect the fair market value of such assets as of the change date.

Any AMT that a corporation pays generally will be allowed as a nonrefundable credit against its regular U.S. federal income tax liability in future taxable years when the corporation is no longer subject to the AMT.

B. Consequences to Holders of Allowed Prepetition Lenders Claims

Pursuant to the Plan, and in satisfaction of their respective Claims, each holder of the Allowed Prepetition Lender Claims will receive from Reorganized LodgeNet Interactive its allocable share of the Exit Term Loans in accordance with the Plan.

The U.S. federal income tax consequences of the Plan to a holder of the Allowed Prepetition Lender Claims depends, in part, on whether (or the extent to which) such Claims constitute "securities" for U.S. federal income tax purposes, and if so, whether any Exit Term Loans received in exchange therefor also constitute "securities" for U.S. federal income tax purposes (such that the exchange would qualify for "recapitalization" treatment under the Tax Code).

The term "security" is not defined in the Tax Code or in Treasury regulations and has not been clearly defined by judicial decisions. The determination of whether a particular debt obligation constitutes a "security" depends on an overall evaluation of the nature of the debt, including whether the holder of such debt obligation is subject to a material level of entrepreneurial risk and whether a continuing proprietary interest is intended or not. One of the most significant factors considered in determining whether a particular debt is a security is its original term. In general, debt obligations issued with a weighted average maturity at issuance of less than five (5) years do not constitute securities for U.S. federal income tax purposes, whereas debt obligations with a weighted average maturity at issuance of ten (10) years or more constitute securities for U.S. federal income tax purposes. Additionally, the IRS has ruled that new debt obligations with a term of less than five years issued in exchange for and bearing the same terms (other than interest rate) as securities should also be classified as securities for this

purpose, since the new debt represents a continuation of the holder's investment in the corporation in substantially the same form. *Holders of the Allowed Prepetition Lender Claims are urged to consult their own tax advisors regarding the appropriate status for U.S. federal income tax purposes of their Allowed Prepetition Lender Claims and the Exit Term Loans.*

The following discussion describes the U.S. federal income tax consequences to a holder in the alternative, depending on whether the Allowed Prepetition Lender Claims are or are not classified as securities for U.S. federal income tax purposes, but assumes that if the Allowed Prepetition Lender Claims are treated as securities, the Exit Term Loans received in exchange therefor will also be treated as securities (as in effect a continuation of the holder's investment in the corporation in substantially the same form). Accordingly, if the Allowed Prepetition Lender Claims constitute securities, the receipt of the Exit Term Loans would be treated as a "recapitalization" for U.S. federal income tax purposes, with the consequences described below in "—Potential Recapitalization Treatment." If, on the other hand, the Allowed Prepetition Lender Claims do not constitute securities, the receipt of the Exit Term Loans in satisfaction of the Allowed Prepetition Lender Claims would be treated as a fully taxable transaction, with the consequences described below in "—Fully Taxable Exchange."

1. Potential Recapitalization Treatment

The classification of an exchange as a recapitalization for U.S. federal income tax purposes generally serves to defer the recognition of any gain or loss by the holder. If the exchange of the Allowed Prepetition Lender Claims for the Exit Term Loans qualifies as a recapitalization, a holder generally will not recognize any loss upon the exchange. However, a holder will have interest income to the extent of any exchange consideration allocable to accrued but unpaid interest not previously included in income. *See* "—Distribution in Respect of Accrued Interest" below.

In the case of recapitalization treatment, a holder's aggregate tax basis in the Exit Term Loans received will equal its aggregate adjusted tax basis in the Allowed Prepetition Lender Claims exchanged therefor increased by any interest income recognized in the exchange. The holder's holding period in the loans received will include its holding period in the Allowed Prepetition Lender Claims exchanged therefor, except to the extent received in respect of accrued but unpaid interest, which will have a holding period beginning on the day following the date of the exchange.

2. Fully Taxable Exchange

If the exchange of an Allowed Prepetition Lender Claim pursuant to the Plan is a fully taxable exchange, the holder generally will recognize gain or loss in an amount equal to the difference, if any, between (i) the amount of cash or the "issue price" of the Exit Term Loans (which potentially could be the fair market value of the Exit Term Loans, see "—Ownership and Disposition of Exit Term Loans" below) received, other than any consideration received in respect of a Claim for accrued but unpaid interest, and (ii) the holder's adjusted tax basis in the Claim exchanged (other than any basis attributable to accrued but unpaid interest). In addition, a holder of a Claim will have interest income to the extent of any consideration allocable to

accrued but unpaid interest not previously included in income. *See* "—Distribution in Respect of Accrued Interest" below.

Holders are urged to consult their tax advisors regarding the possible application of (or ability to elect out of) the "installment method" of reporting any gain that may be recognized by such holders in respect of such Claims.

Where gain or loss is recognized by a holder in respect of its Claim, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including, among others, the tax status of the holder, how long the Claim has been held, and whether and to what extent the holder had previously claimed a bad debt deduction in respect of such Claim. In addition, a holder that purchased its Claims from a prior holder at a "market discount" (relative to the principal amount of the Claims at the time of acquisition) may be subject to the market discount rules of the IRC. Under the market discount rules, any gain recognized upon satisfaction of the Claims (other than in respect of a Claim for accrued but unpaid interest) generally will be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the holder, on a constant interest basis) during the holder's period of ownership, unless the holder elected to include the market discount in income as it accrued. If a holder of Claims did not elect to include market discount in income as it accrued and thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Claims, such deferred amounts would become deductible at the time of the exchange, up to the amount of gain that the holder recognizes in the exchange.

In the case of a taxable exchange, a holder's tax basis in any Exit Term Loans will equal the amount taken into account in respect of such loans in determining the holder's gain or loss, and its holding period in the loans received should begin on the day following the Effective Date.

3. Distribution in Respect of Accrued Interest

In general, to the extent that any consideration received pursuant to the Plan by a holder of a Claim is received in satisfaction of accrued interest during its holding period, such amount will be taxable to the holder as interest income (if not previously included in the holder's gross income). Conversely, a holder generally incurs a deductible loss to the extent any accrued interest claimed or amortized OID was previously included in its gross income and is not paid in full. However, the IRS has privately ruled that a holder of a "security" of a corporate issuer, in an otherwise tax-free exchange, could not claim a current deduction with respect to any unpaid OID. Accordingly, it is also unclear whether, by analogy, a holder of a Claim that does not constitute a security would be required to recognize a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full.

The Plan provides that consideration received in respect of a Claim is allocable first to the principal amount of the Claim (as determined for U.S. federal income tax purposes) and then, to the extent of any excess, to the remainder of the Claim, including any Claim for accrued but unpaid interest (in contrast, for example, to a pro rata allocation of a portion of the exchange consideration received between principal and interest, or an allocation first to accrued

but unpaid interest). *See* Section 6.11 of the Plan. There is no assurance that the IRS will respect such allocation for U.S. federal income tax purposes. Holders are urged to consult their tax advisor regarding the allocation of consideration and the deductibility of accrued but unpaid interest for U.S. federal income tax purposes.

4. Ownership and Disposition of Exit Term Loans

The Exit Term Loans will be issued with OID for U.S. federal income tax purposes. The amount of OID, and the manner in which the Exit Term Loans will be treated under the OID provisions of the Tax Code, depends in part on whether the "issue price" of the respective Exit Term Loans is less than the face amount of such loans for OID purposes. As discussed below, the Debtors intend to treat any Exit Term Loans as to which the issue price is *less than* its face amount as a "contingent payment debt instrument" under applicable Treasury regulations (the "Contingent Payment Debt Regulations").

The "issue price" of the Exit Term A Loans and the Exit Term B Loans, respectively, depends in part on whether, at any time during the 31-day period ending 15 days after the Effective Date, such loans or the Prepetition Lender Claims are traded on an "established market." Pursuant to applicable Treasury regulations, an "established market" need not be a formal market. In general, a debt will be treated as traded on an established market if (i) there is an executed purchase or sale of the debt within the 31-day period and the price becomes reasonably available to the issuer within a reasonable period after the sale or (ii) there is one or more "firm quotes" or "indicative quotes" for the debt (in each case as such terms are defined in applicable Treasury regulations) from a broker, dealer or pricing service. However, a debt will *not* be treated as traded on an established market if the outstanding stated principal amount of the issue does not exceed One Hundred Million Dollars ($100,000,000.00) (the "small issuance exception"). Pursuant to the Exit Term Loan Term Sheet, it is possible that the aggregate state principal amount of the Exit Term B Loans may be under One Hundred Million Dollars ($100,000,000.00). If the Debtors determine that the Exit Term A Loans, the Exit Term B Loans and/or the Prepetition Lender Claims are traded on an established market, such determination will be binding on all holders, other than a holder that explicitly discloses its inconsistent treatment on a timely-filed U.S. federal income tax return for the taxable year that includes the Effective Date, the reasons for its different determination and, if applicable, how the holder determined the fair market value. Neither the Debtors' nor a holder's determination is binding on the IRS, however; accordingly, there is no assurance that the IRS will not successfully assert a contrary position.

If (as is anticipated) the Exit Term A Loans are considered traded on an established market, the issue price of the Exit Term A Loans will equal their fair market value on the Effective Date. Similarly, if the small issuance exception does not apply to the Exit Term B Loans and such loans are considered traded on an established market, the issue price of the Exit Term B Loans will equal their fair market value on the Effective Date. If the Exit Term A Loans or the Exit Term B Loans (as the case may be) are not treated as traded on an established market for OID (including by reason of the small issuance exception), but the Prepetition Lender Claims are so treated, the issue price of such loans will be based on the fair market value of the Prepetition Lender Claims. If neither the Prepetition Lender Claims, on the one hand, nor the Exit Term A Loans or the Exit Term B Loans (as the case may be), on the other hand, are

considered traded on an established market, the issue price the Exit Term A Loans or the Exit Term B Loans (as applicable) should be the face amount of such loans.

Significantly, depending on whether the issue price of the Exit Term A Loans or the Exit Term B Loans, respectively, is less than the face amount of such loans affects the determination of whether such loans will be treated as "contingent payment debt instruments" under the Contingent Payment Debt Regulations. Because there is more than a remote likelihood that holders of Exit Term A Loans and Exit Term B Loans will receive payments on such loans pursuant to the Excess Cash Flow sweep, which creates a contingency as to the timing of payments (such that, depending on the timing of payments, the implied yield of the instrument could change if the issue price of the loans is less than their face value), the Debtors intend to treat any Exit Term Loans which have an issue price less than their face amount as contingent payment debt instruments. However, since their issuance more than a decade ago, the Contingent Payment Debt Regulations have reserved a place for the possible issuance of special rules with respect to the treatment of payments that are contingent only as to timing. As a result, there remains some uncertainty as to the required treatment of such contingencies.

The taxation of contingent payment debt instruments is complex. In general, the rules applicable to such instruments could require a holder to accrue ordinary income at a higher rate than the stated interest rate and the rate that would otherwise be imputed under the OID rules, and to treat as ordinary income (rather than capital gain) any gain recognized on the taxable disposition of an Exit Loan. *Holders are urged to consult their tax advisors regarding the determination of issue price and the application of the Contingent Payment Debt Regulations to the Exit Term Loans.*

Loans Treated as Contingent Payment Debt Instruments. If the Exit Term A Loans and/or the Exit Term B Loans are treated as contingent payment debt instruments, the Debtors must construct a "projected payment schedule" for whichever loans are treated as contingent payment debt instruments (hereafter referred to as "contingent term loans"). Holders of contingent term loans generally must recognize all interest income with respect to such loans (including stated interest) on a constant yield basis (regardless of their method of accounting) at a rate determined based on the "issue price" and the projected payment schedule for such loans, subject to certain adjustments if actual contingent payments differ from those projected. In the present case, the projected payment schedule generally will be determined by including each noncontingent payment and the "expected value" as of the issue date of each projected contingent payment of principal and interest on the contingent term loans, adjusted as necessary so that the projected payments discounted at the "comparable yield" (which is the greater of the yield at which the Debtors would issue a fixed-rate debt instrument with terms and conditions similar to those of the contingent term loans, as applicable, or the applicable federal rate) equals the issue price for such loans.

The amount of interest that is treated as accruing during an accrual period on a contingent term loan is the product of the "comparable yield" and contingent term loan's adjusted issue price at the beginning of such accrual period. The "adjusted issue price" of a contingent term loan is the issue price of such loan increased by interest previously accrued on such loan (determined without adjustments for differences between the projected payment schedule and the

actual payments on such loan), and decreased by the amount of any noncontingent payments and the projected amount of any contingent payments previously made on such loan.

Except for adjustments made for differences between actual and projected payments, the amount of interest included in income by a holder of a contingent term loan is the portion that accrues while such holder holds such loan (with the amount attributable to each accrual period allocated ratably to each day in such period). If actual payments differ from projected payments, then the holder generally will be required in any given taxable year either to include additional interest in gross income (*i.e.,* where the actual payments exceed projected payments in such taxable year) or to reduce the amount of interest income otherwise accounted for on the contingent term loan (*i.e.,* where the actual payments are less than the projected payments in such taxable year), as applicable. If the negative adjustment exceeds the interest for the taxable year that otherwise would have been accounted for on the contingent term loan, the excess will be treated as ordinary loss. However, the amount treated as an ordinary loss in any taxable year is limited to the amount by which the holder's total interest inclusions on such contingent term loan exceed the total amount of the net negative adjustments the holder treated as ordinary loss on such contingent term loans in prior taxable years. Any remaining excess will be a negative adjustment carryforward and may be used to offset interest income in succeeding years. If a contingent term loan is sold, exchanged or retired, any negative adjustment carryforward from the prior year will reduce the holder's amount realized on the sale, exchange or retirement.

The yield, timing and amounts set forth on the projected payment schedules are for U.S. federal income tax purposes only and are not assurances by the Debtors with respect to any aspect of the contingent term loans. After issuance, any holder of a contingent term loan may obtain the comparable yield, the projected payment schedule, the issue price, the amount of OID, and the issue date for the contingent term loan by writing to the Debtors. For U.S. federal income tax purposes, a holder generally must use the Debtor's comparable yield and projected payment schedule for a contingent term loan in determining the amount and accrual of OID on such loan unless such schedule is unreasonable and the holder explicitly discloses in accordance with the Contingent Payment Debt Regulations its differing position and why the Debtor's schedule is unreasonable. The IRS generally is bound by the Debtor's comparable yield and projected payment schedule unless either is unreasonable.

Loans* Not *Treated as Contingent Payment Debt Instruments. As to any Exit Term Loans that are not treated as contingent payment debt instruments, the amount of OID will be equal to the excess of the "stated redemption price at maturity" of such loans over their "issue price." For this purpose, the general rule is that the stated redemption price at maturity of a debt instrument is the sum of all payments provided by the debt instrument other than payments of "qualified stated interest," *i.e.,* stated interest that is unconditionally payable at least annually at a constant rate in cash or property (other than debt of the issuer). Due to the ability under certain circumstances to pay all but 1% per annum of four interest payments with additional debt ("PIK interest"), only a small portion of the stated interest (*i.e.*, the 1%), will be qualified stated interest, provided that the requirement to pay 1% is applied separately to each of the Exit Term Loans and to the Exit Revolver. Such portion generally will be includible in the holder's income in accordance with the holder's regular method of accounting for U.S. federal income tax purposes. The remainder of the stated interest will be included in the stated redemption price at maturity and thus will be taxed as part of OID.

A holder of the Exit Term Loans generally must include OID in gross income as it accrues over the term of the loan in accordance with a constant yield-to-maturity method, regardless of whether the holder is a cash or accrual method taxpayer, and regardless of whether and when the holder receives cash payments of interest on the Exit Term Loans. Accordingly, a holder could be treated as receiving interest income in advance of a corresponding receipt of cash. Any OID that a holder includes in income will increase the tax basis of the holder in its Exit Term Loans. A holder generally will not be required to include separately in income cash payments received on the Exit Term Loans; instead, except as discussed below (with respect to Exit Term Loans received in a "recapitalization" exchange, in which instance some amount of income or gain may be recognized if the holder has a tax basis less than the issue price of the Exit Term Loans), such payments will reduce the holder's tax basis in its Exit Term Loans by the amount of the payment.

The amount of OID includible in income for a taxable year by a holder of such Exit Term Loans generally will equal the sum of the "daily portions" of the total OID on the loan for each day during the taxable year (or portion thereof) on which such holder held the loan. Generally, the daily portion of the OID is determined by allocating to each day during an accrual period a ratable portion of the OID on such Exit Term Loans that is allocable to the accrual period in which such day is included. The amount of OID allocable to each accrual period generally will be an amount equal to the product of the "adjusted issue price" of the Exit Term Loans at the beginning of such accrual period and its yield to maturity. The "adjusted issue price" of the Exit Term Loans at the beginning of any accrual period will equal the issue price, increased by the total OID accrued for each prior accrual period, less any cash payments made on such bond on or before the first day of the accrual period.

Any Exit Term Loans acquired in a "recapitalization" exchange (that are not treated as contingent payment debt instruments) may be subject to the premium and market discount rules of the Tax Code, as discussed below.

Premium**.** Other than in respect of any contingent term loans, the amount of OID includible in a holder's gross income with respect to any Exit Term Loans will be reduced or eliminated if the loan is acquired (or deemed to be acquired) at a "premium." A debt instrument is acquired at a "premium" if the holder's tax basis in the debt is greater than the adjusted issue price of the debt at the time of the acquisition. Accordingly, a holder may only have a "premium" with respect to any Exit Term Loans received if the loans were acquired in a "recapitalization" exchange, such that its tax basis in its Exit Term Loans was based on its adjusted tax basis in its Prepetition Lender Claims. Otherwise, a holder's initial tax basis in the Exit Term Loans will equal the issue price of the loans.

If a holder acquires any Exit Term Loans at a premium, the amount of any OID includible in its gross income in any taxable year with respect to such loans (other than any contingent term loans) will be (i) eliminated if the holder's tax basis in such loans exceeds their stated redemption price at maturity, or (ii) reduced by an allocable portion of the premium (generally determined by multiplying the annual OID accrual with respect to such Exit Term Loans by a fraction, the numerator of which is the amount of the premium, and the denominator of which is the total OID). Alternatively, in the second case, if a holder is willing to treat all stated interest as OID (including qualified stated interest), such holder may elect to recompute

the OID accruals by treating its acquisition as a purchase at original issue and applying the constant yield method. Such an election may not be revoked without the consent of the IRS. In the event the Exit Term Loans have qualified stated interest, and a holder's premium exceeds the amount of OID, the holder should be entitled to deduct a portion of such excess premium against the qualified stated interest based on a constant yield method (but not in excess of the qualified stated interest then accrued). Under recently issued temporary regulations, any excess premium that has not been allowed due to the limitation to accrued qualified stated interest should be allowed as a deduction as of the end of the holder's accrual period in which the Exit Term Loan is sold, retired or otherwise disposed of.

Market Discount. Other than in respect of any contingent term loans, any holder of a Claim that has a tax basis in any Exit Term Loans received less than the issue price of such loans generally will be subject to the market discount rules of the Tax Code (unless such difference is less than a *de minimis* amount). In addition, as discussed below, a holder who acquired its Claim at a market discount and that receives its Exit Term Loans as part of a "recapitalization" exchange may be required to carry over to such loans any accrued market discount with respect to its Claim to the extent not previously included in income.

Under the market discount rules, a holder is required to treat any principal payment on, or any gain recognized on the sale, exchange, retirement or other disposition of, the Exit Loan as ordinary income to the extent of the market discount that has not previously been included in income and is treated as having accrued with respect to such loan at the time of such payment or disposition. A holder could be required to defer the deduction of a portion of the interest expense on any indebtedness incurred or maintained to purchase or to carry a market discount note, unless an election is made to include all market discount in income as it accrues. Such an election would apply to all bonds acquired by the holder on or after the first day of the first taxable year to which such election applies, and may not be revoked without the consent of the IRS.

Any market discount will be considered to accrue on a straight-line basis during the period from the date of acquisition of such Exit Term Loans to the maturity date of the loans, unless the holder irrevocably elects to compute the accrual on a constant yield basis. This election can be made on a debt-by-debt basis.

The Treasury Department has long been expected to promulgate regulations explicitly providing that any accrued market discount not treated as ordinary income upon a tax-free exchange (such as a "recapitalization") of market discount bonds would carry over to the nonrecognition property received in the exchange. If such regulations are promulgated and applicable to the Plan and, likely, even without the issuance of regulations, any holder of a Prepetition Lender Claim that constitutes a "security" for federal income tax purposes would carry over any accrued market discount incurred in respect of such Claim to any Exit Term Loans received for such Claim pursuant to the Plan (presumably allocated on the basis of relative fair market value), such that any gain recognized by the holder upon a subsequent disposition of such loans also would be treated as ordinary income to the extent of any such accrued market discount not previously included in income.

5. Sale, Redemption or Other Taxable Disposition.

Loans Treated as Contingent Payment Debt Instruments. Unless a non-recognition provision applies, a holder generally will recognize gain or loss upon the sale, redemption (including at maturity) or other taxable disposition of a contingent term loan equal to the difference, if any, between such holder's adjusted tax basis in such loan and the amount realized on the sale, redemption or other disposition (with any negative adjustment carryforward from the prior year reducing such holder's amount realized).

Under applicable Contingent Payment Debt Regulations, any gain recognized on a sale, redemption or other taxable disposition of a contingent term loan generally will be ordinary interest income, and any loss will be an ordinary loss to the extent a holder's total interest inclusions on such loan exceed the total amount of ordinary loss such holder took into account through the date of the disposition with respect to differences between actual payments and projected payments (and any additional loss generally will be capital loss).

For purposes of computing gain or loss, a holder's adjusted tax basis in a contingent term loan generally will equal the holder's initial tax basis in such loan, increased by the amount of any interest previously accrued on such loan (determined without adjustments for differences between the projected payment schedule and the actual payments on such loan) up through the date of the sale, redemption or taxable disposition, and decreased by the amount of any noncontingent payments and the projected amount of any contingent payments previously made on such loan.

Loans* Not *Treated as Contingent Payment Debt Instruments. Unless a non-recognition provision applies and subject to the discussion below with respect to market discount, holders generally will recognize capital gain or loss upon the sale, redemption (including at maturity) or other taxable disposition of an Exit Loan that is not a contingent payment debt instrument equal to the difference, if any, between such holder's adjusted tax basis in such loan and the amount realized on the sale, exchange or redemption. Generally, a holder's adjusted tax basis will be equal to its initial tax basis in such loan increased by any OID previously included in income, and reduced by cash payments received on such loan other than payments of qualified stated interest. If applicable, a holder's adjusted tax basis in the loan also will be (i) increased by any market discount previously included in income by such holder pursuant to an election to include market discount in gross income currently as it accrues, and (ii) reduced by any amortizable premium which the holder has previously deducted or which is deductible in the current period.

The gain or loss will generally be treated as capital gain or loss except to the extent the gain is treated as accrued market discount in which case it is treated as ordinary income as discussed above in "—Ownership and Disposition of Exit Term Loans—*Loans* Not *Treated as Contingent Payment Debt Instruments*—Market Discount." Any capital gain or loss generally should be long-term if the holder's holding period for the loan is more than one year at the time of disposition.

6. Potential Application of AHYDO Provisions to the Holders of Exit Term Loans

The Exit Term Loans may be subject to the provisions of the Tax Code dealing with applicable high yield discount obligations, as discussed in XII.A.2 "—Consequences to the Debtors —Potential Application of AHYDO Provisions to the Exit Term Loans," in which event a portion of the Debtors' deduction with respect to the accrued OID may be disallowed. In such instance, an equivalent portion of a corporate holder's income with respect to such OID may be treated as a dividend for purposes of the dividend-received deduction to the extent such amount would be so treated if it had been a distribution made by Reorganized LodgeNet Interactive with respect to its stock (that is, to the extent Reorganized LodgeNet Interactive has sufficient earnings and profits such that a distribution in respect of stock would constitute a dividend for federal income tax purposes and, presumably, subject to certain holding period and taxable income requirements and other limitations on the dividend-received deduction).

7. Information Reporting and Backup Withholding

All distributions to holders of Allowed Claims under the Plan are subject to any applicable withholding (including employment tax withholding). Under federal income tax law, payments of interest (including accruals of OID) or dividends and any other reportable payments, possibly including amounts received pursuant to the Plan and payments of proceeds from the sale, retirement or other disposition of the Exit Term Loans, may be subject to "backup withholding" (currently at a rate of twenty-eight percent (28%)) if a recipient of those payments fails to furnish to the payor certain identifying information, and, in some cases, a certification that the recipient is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts deducted and withheld should generally be allowed as a credit against that recipient's U.S. federal income tax, provided that appropriate proof is timely provided under rules established by the IRS. Furthermore, certain penalties may be imposed by the IRS on a recipient of payments who is required to supply information but who does not do so in the proper manner. Backup withholding generally should not apply with respect to payments made to certain exempt recipients, such as corporations and financial institutions. Information may also be required to be provided to the IRS concerning payments, unless an exemption applies. Each holder should consult its tax advisor regarding its qualification for exemption from backup withholding and information reporting and the procedures for obtaining such an exemption.

Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of certain thresholds. You are urged to consult your own tax advisor regarding these regulations and whether the contemplated transactions under the Plan would be subject to these regulations and require disclosure on your tax return.

The foregoing summary has been provided for informational purposes only. All holders of Claims are urged to consult their tax advisors concerning the federal, state, local, and other tax consequences applicable under the Plan.

XIII. CONCLUSION AND RECOMMENDATION

All holders of Claims entitled to vote are urged to vote to accept the Plan and to evidence such acceptance by returning their Ballots so that they will be received by February 4, 2013, at 5:00 p.m. (Pacific Time).

Dated: January 4, 2013

Respectfully submitted,

LodgeNet Interactive Corporation
LodgeNet International Inc.
LodgeNet StayOnline Inc.
On Command Corporation
On Command Video Corporation
LodgeNet Healthcare Inc.
The Hotel Networks Inc.
Hotel Digital Network Inc.
Puerto Rico Video Entertainment Corporation
Virgin Islands Video Entertainment Corporation
Spectradyne International Inc.

By: /s/ James Naro

EXHIBIT A

THE PLAN

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
LodgeNet Interactive Corporation, *et al.*,[1]	:	**Case No. 13-_____ (___)**
	:	**(Joint Administration Requested)**
Debtors.	:	

PLAN OF REORGANIZATION OF LODGENET INTERACTIVE CORPORATION, *ET AL.* UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

Proposed Attorneys for Debtors
and Debtors in Possession

Dated: January 4, 2013

[1] The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: LodgeNet Interactive Corporation (1161), LodgeNet StayOnline, Inc. (3232), On Command Corporation (5194), The Hotel Networks, Inc. (4919), On Command Video Corporation (8458), Puerto Rico Video Entertainment Corporation (6786), Virgin Islands Video Entertainment Corporation (6611), Spectradyne International, Inc. (9353), LodgeNet Healthcare, Inc. (0337), Hotel Digital Network Inc. (7245), and LodgeNet International, Inc. (2811).

Each of LodgeNet Interactive Corporation, LodgeNet StayOnline, Inc., On Command Corporation, The Hotel Network, Inc., On Command Video Corporation, Puerto Rico Video Entertainment Corporation, Virgin Islands Video Entertainment Corporation, Spectradyne International, Inc., LodgeNet Healthcare, Inc., Hotel Digital Networks Inc., and LodgeNet International, Inc. propose the following chapter 11 plan of reorganization pursuant to section 1121(a) of the Bankruptcy Code. Capitalized terms used herein shall have the meanings set forth in Section 1.A.

SECTION 1. **DEFINITIONS AND INTERPRETATION.**

A. **Definitions.**

1.1. ***Accredited Investor*** means an accredited investor as defined in Rule 501 of the Securities Act of 1933.

1.2. ***Administrative Expense Claim*** means any Claim for costs and expenses of administration during the Chapter 11 Cases pursuant to sections 328, 330, 363, 364(c)(1), 365, 503(b) or 507(a)(2) of the Bankruptcy Code, including, (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises); (b) Fee Claims; (c) DIP Claims; (d) Restructuring Expenses; and (e) all fees and charges assessed against the Estates pursuant to section 1911 through 1930 of chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1-1401.

1.3. ***Allowed*** means, with reference to any Claim or Interest, (a) any Claim (or any portion thereof) or Interest arising on or before the Effective Date (i) as to which no objection to allowance has been interposed in accordance with Section 7.2 hereof, or (ii) as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder, (b) any Claim or Interest as to which the liability of the Debtors and the amount thereof are determined by a Final Order of a court of competent jurisdiction other than the Bankruptcy Court or (c) any Claim or Interest expressly allowed hereunder.

1.4. ***Amended and Restated Guarantee and Collateral Agreement*** means the amended and restated Guarantee and Collateral Agreement, dated as of the Effective Date, in form consistent with the Exit Term Loan Term Sheet and otherwise acceptable to Purchaser Representative and Requisite Consenting Lenders.

1.5. ***Amended Organizational Documents*** means the forms of amended certificates of incorporation and bylaws for the Reorganized Debtors satisfactory to Purchaser Representative, substantially final forms of which are included in the Plan Supplement.

1.6. ***Bankruptcy Code*** means title 11 of the United States Code, 11 U.S.C. §§ 101, et seq., as amended from time to time, as applicable to the Chapter 11 Cases.

1.7. ***Bankruptcy Court*** means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code, the unit of such District Court having jurisdiction over the Chapter 11 Cases under section 151 of title 28 of the United States Code.

1.8. ***Bankruptcy Rules*** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code,

as amended from time to time, applicable to the Chapter 11 Cases, and any Local Rules of the Bankruptcy Court.

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

1.10. ***Cash*** means legal tender of the United States of America.

1.11. ***Causes of Action*** means any action, claim, cause of action, controversy, demand, right, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. Cause of Action also includes: (a) any right of setoff, counterclaim or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; and (e) any state law fraudulent transfer claim.

1.12. ***Chapter 11 Cases*** means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by the Debtors on [__], in the Bankruptcy Court and styled In re LodgeNet Interactive Corporation, et. al., Case No. [ ].

1.13. ***Claim*** has the meaning set forth in section 101(5) of the Bankruptcy Code.

1.14. ***Class*** means any group of Claims or Interests classified by the Plan pursuant to section 1122 and 1123(a)(1) of the Bankruptcy Code.

1.15. ***Colony Capital*** means Colony Capital, LLC.

1.16. ***Confirmation*** means the entry on the docket of the Confirmation Order in these Chapter 11 Cases.

1.17. ***Confirmation Date*** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.

1.18. ***Confirmation Hearing*** means the hearing to be held by the Bankruptcy Court regarding confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.19. ***Confirmation Order*** means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.20. ***Consenting Lenders*** means those certain Prepetition Lenders that are party to the Plan Support and Lock-Up Agreement.

1.21. ***Consummation*** means the occurrence of the Effective Date for the Plan.

1.22. ***Cure*** means the payment of Cash by the Debtors, or the distribution of other property (as the parties may agree or the Bankruptcy Court may order), as necessary to (i) cure a

monetary default by the Debtors in accordance with the terms of an executory contract or unexpired lease of the Debtors and (ii) permit the Debtors to assume such executory contract or unexpired lease under section 365(a) of the Bankruptcy Code.

1.23. ***Debtors*** means, collectively, LodgeNet Interactive Corporation, LodgeNet StayOnline, Inc., On Command Corporation, The Hotel Networks, Inc., On Command Video Corporation, Puerto Rico Video Entertainment Corporation, Virgin Islands Video Entertainment Corporation, Spectradyne International, Inc., LodgeNet Healthcare, Inc., Hotel Digital Network Inc., and LodgeNet International, Inc.

1.24. ***Debtors in Possession*** means the Debtors in their capacity as debtors in possession in the Chapter 11 Cases pursuant to sections 1101, 1107(a) and 1108 of the Bankruptcy Code.

1.25. ***Definitive Documents*** means the following documents: (i) the Exit Loan Agreement, (ii) the Exit Revolver Agreement, (iii) the Amended and Restated Guarantee and Collateral Agreement, and (iv) the Intercreditor Agreements.

1.26. ***DIP Agent*** means Gleacher Products Corp., as administrative agent and collateral agent for the DIP Lenders under the DIP Loan Agreement.

1.27. ***DIP Claim*** means a Claim of the DIP Lenders or DIP Agent arising under the DIP Loan Agreement and the DIP Order.

1.28. ***DIP Lenders*** means all lenders from time to time party to the DIP Loan Agreement.

1.29. ***DIP Loan Agreement*** means that certain senior secured credit agreement, as amended, supplemented, restated or otherwise modified, entered into by and among LodgeNet Interactive, as borrower, each of the remaining Debtors, as guarantors, the DIP Agent and the DIP Lenders.

1.30. ***DIP Order*** means the interim and final order(s) of the Bankruptcy Court authorizing the Debtors to enter into and make borrowings under the DIP Loan Agreement, and granting certain rights, protections and liens to and for the benefit of the DIP Lenders.

1.31. ***Disbursing Agent*** means any entity (including any applicable Debtor if it acts in such capacity) in its capacity as a disbursing agent under Section 6.3 hereof.

1.32. ***Disputed*** means with respect to a Claim or Interest, any such Claim or Interest to the extent neither Allowed nor disallowed under the Plan or a Final Order nor deemed Allowed under section 502, 503 or 1111 of the Bankruptcy Code.

1.33. ***Distribution Record Date*** means the Effective Date of the Plan.

1.34. ***Effective Date*** means the date on which all conditions to the effectiveness of the Plan set forth in Section 9 hereof have been satisfied or waived in accordance with the terms of the Plan.

1.35. ***Estate or Estates*** means individually or collectively, the estate or estates of the Debtors created under section 541 of the Bankruptcy Code.

1.36. ***Exculpated Parties*** means collectively: (a) the Debtors; (b) the DIP Lenders; (c) the Prepetition Lenders; (d) the DIP Agent; (e) the Prepetition Agent; (f) Colony Capital; (g) Purchasers;

and (h) with respect to each of the foregoing entities in clauses (a) through (g), such entities' predecessors, successors and assigns, subsidiaries, affiliates, current and former officers, directors, principals, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, managed accounts and funds, fund advisors and other professionals, and such persons' respective heirs, executors, estates, servants and nominees, in each case in their capacity as such.

1.37. ***Existing DIRECTV Agreement*** means the SMATV Sales Agency and Transport Services Agreement, dated as of March 31, 2010 between LodgeNet Interactive and DIRECTV, LLC.

1.38. ***Exit Loan Agreement*** means the Amended and Restated Prepetition Credit Agreement, dated as of the Effective Date, by and among the Reorganized LodgeNet Interactive, the Prepetition Agent and the lenders party thereto from time to time, including all documents, agreements or instruments executed in connection therewith or related thereto, containing terms consistent with the Exit Term Loan Term Sheet, in the form approved by the Purchaser Representative and the Requisite Consenting Lenders.

1.39. ***Exit Revolver*** means a revolving credit facility, not inconsistent with the terms of the Exit Term Loan Term Sheet, in accordance with and subject to the terms and conditions set forth in the Exit Revolver Agreement.

1.40. ***Exit Revolver Agreement*** means a credit agreement, dated as of the Effective Date, by and among LodgeNet Interactive and the lender or lenders party thereto, together with all documents, instruments and agreements executed in connection therewith or related thereto, for the provision of the Exit Revolver, in form and substance acceptable to Purchaser Representative.

1.41. ***Exit Term A Loan*** means a term loan in the aggregate principal amount of $346,400,000.00 (*plus* interest accrued and unpaid on the Prepetition Credit Facility (i) prior to the Petition Date and (ii) on and after the Petition Date through the earlier of the Effective Date and date that is 90 days after the Petition Date, in each case at the non-default contract interest rate) in accordance with and subject to the terms and conditions contained in the Exit Loan Agreement, *less* the original aggregate principal amount of Exit Term B Loan.

1.42. ***Exit Term B Loan*** means a term loan in the aggregate principal amount of up to $125 million in accordance with and subject to the terms and conditions contained in the Exit Loan Agreement.

1.43. ***Exit Term Loan*** means the Exit Term A Loan and the Exit Term B Loan.

1.44. ***Exit Term Loan Term Sheet*** means the term sheet setting forth the terms of the Exit Term Loan attached hereto as **Exhibit A**.

1.45. ***Fee Claim*** means a Claim for professional services rendered or costs incurred on or after the Petition Date through the Effective Date by professional persons retained by the Debtors or any statutory committee appointed in the Chapter 11 Cases pursuant to sections 327, 328, 329, 330, 331, 503(b) or 1103 of the Bankruptcy Code in the Chapter 11 Cases.

1.46. ***Final Order*** means an order or judgment of a court of competent jurisdiction that has been entered on the docket maintained by the clerk of such court, which has not been reversed, vacated or stayed and as to which (a) the time to appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for *certiorari*, or other

proceedings for a new trial, reargument or rehearing shall then be pending, or (b) if an appeal, writ of *certiorari*, new trial, reargument or rehearing thereof has been sought, such order or judgment shall have been affirmed by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for *certiorari* or move for a new trial, reargument or rehearing shall have expired; provided, however, that no order or judgment shall fail to be a "Final Order" solely because of the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 has been or may be filed with respect to such order or judgment.

1.47. ***General Unsecured Claim*** means any unsecured Claim against any Debtor other than an Intercompany Claim that is not entitled to priority under the Bankruptcy Code or any order of the Bankruptcy Court.

1.48. ***Guarantee and Collateral Agreement*** means that certain Guarantee and Collateral Agreement, dated as of April 4, 2007 among LodgeNet Interactive and each of the other loan parties thereto, in favor of Gleacher Products Corp., as administrative agent.

1.49. ***Impaired*** means, with respect to a Claim, Interest or Class of Claims or Interests, "impaired" within the meaning of section 1123(a)(4) and 1124 of the Bankruptcy Code.

1.50. ***Intercompany Claim*** means any Claim against a Debtor held by another Debtor or an affiliate of a Debtor, excluding any Prepetition Lender Claim held by any Debtor or affiliate of a Debtor.

1.51. ***Intercompany Interest*** means an Interest in a Debtor held by another Debtor or an Interest in a Debtor held by an affiliate of a Debtor.

1.52. ***Intercreditor Agreements*** means (i) an agreement, between the Prepetition Agent, as agent under the Exit Loan Agreement and any agent under the Exit Revolver, and (ii) an agreement, between the Prepetition Agent, as agent under the Exit Loan Agreement and DIRECTV.

1.53. ***Interests*** means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all common units, preferred units or other instruments evidencing an ownership interest in any of the Debtors, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interests in a Debtor that existed immediately before the Effective Date.

1.54. ***Investment Agreement*** means the Investment Agreement, dated as of December 30, 2012, among LodgeNet Interactive, Colony Capital, and Purchasers, attached hereto as **Exhibit B**.

1.55. ***Lien*** has the meaning set forth in section 101(37) of the Bankruptcy Code.

1.56. ***LodgeNet Interactive*** means LodgeNet Interactive Corporation.

1.57. ***New Board*** means the board of directors of Reorganized LodgeNet Interactive.

1.58. ***New Common Stock*** means common stock in Reorganized LodgeNet Interactive.

1.59. ***Other Secured Claim*** means a Secured Claim, other than a DIP Claim, a Priority/Secured Tax Claim, or a Prepetition Lender Claim.

1.60. ***Person*** means an individual, corporation, partnership, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, governmental unit (as defined in section 101(27) of the Bankruptcy Code) or other entity.

1.61. ***Petition Date*** means [__].

1.62. ***Plan*** means this chapter 11 plan of reorganization, including the exhibits hereto, as the same may be amended or modified from time to time in accordance with the terms hereof.

1.63. ***Plan Supplement*** means a supplemental appendix to the Plan containing, among other things, substantially final forms of the Amended Organizational Documents that was filed with the Bankruptcy Court no later than five (5) Business Days before commencement of the Confirmation Hearing.

1.64. ***Plan Support and Lock-Up Agreement*** means the Plan Support and Lock-Up Agreement, dated as of December 30, 2012, among LodgeNet Interactive, the Prepetition Agent and the Consenting Lenders party thereto.

1.65. ***Prepetition Agent*** means Gleacher Products Corp. in its capacity as successor administrative agent under the Prepetition Credit Agreement.

1.66. ***Prepetition Credit Agreement*** means that certain Credit Agreement, dated as of April 4, 2007, by and among LodgeNet Interactive Corporation, as borrower, the Prepetition Agent as administrative agent, and the lenders party thereto from time to time (as amended, modified or otherwise supplemented from time to time, including by the Prepetition First Amendment and Second Amendment to the Credit Agreement).

1.67. ***Prepetition First Amendment and Second Amendment to the Credit Agreement*** means the certain (a) First Amendment to the Credit Agreement, dated as of March 17, 2011, and (b) Forbearance Agreement and Second Amendment to the Credit Agreement, dated as of October 15, 2012.

1.68. ***Prepetition Lender Claims*** means all Claims against the Debtors arising under or in connection with the Prepetition Credit Agreement and all documents relating thereto.

1.69. ***Prepetition Lenders*** means the lenders from time to time party to the Prepetition Credit Agreement as lenders thereunder, including former lenders and any applicable assignees and participants thereof.

1.70. ***Priority Non-Tax Claim*** means any Claim other than an Administrative Expense Claim or a Priority/Secured Tax Claim that is entitled to priority in payment as specified in section 507(a)(3), (4), (5), (6), (7) and (9) of the Bankruptcy Code.

1.71. ***Priority/Secured Tax Claim*** means any unsecured Claim or Secured Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code and any Secured Claim for penalties with respect to such Claims.

1.72. ***Purchaser Representative*** means Col-L Acquisition, LLC.

1.73. ***Purchasers*** means Col-L Acquisition, LLC, PAR Investment Partners, L.P., Nala Investments, LLC, MAR Capital Fund I, L.P, MAR Capital Fund II, L.P. and MAR Capital Fund III, L.P.

1.74. ***Released Parties*** means collectively: (a) the Debtors; (b) the DIP Lenders; (c) the Prepetition Lenders; (d) the DIP Agent; (e) the Prepetition Agent; (f) Colony Capital; (g) Purchasers; and (h) with respect to each of the foregoing entities in clauses (a) through (g), such entities' predecessors, successors and assigns, subsidiaries, affiliates, current and former officers, directors, principals, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, managed accounts and funds, fund advisors and other professionals, and such persons' respective heirs, executors, estates, servants and nominees, in each case in their capacity as such.

1.75. ***Releasing Party*** means each of, and solely in its capacity as such, (a) the Prepetition Agent; and (b) the holders of impaired Claims or Interests other than those who (i) have been deemed to reject the Plan, or (ii) abstain from voting or voted to reject the Plan and have also checked the box on the applicable ballot indicating that they opt not to grant the releases provided in the Plan; (c) the holders of Unimpaired Claims; and (d) with respect to the foregoing entities in clauses (a) through (c), such entity's current affiliates, subsidiaries, officers, directors, principals, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, equityholders, partners and other professionals.

1.76. ***Reorganized LodgeNet Interactive*** means LodgeNet Interactive, as reorganized on the Effective Date in accordance with the Plan.

1.77. ***Reorganized Debtors*** means the Debtors, as reorganized on the Effective Date in accordance with the Plan.

1.78. ***Reorganized Subsidiary Debtors*** means the Subsidiary Debtors, as reorganized on the Effective Date in accordance with the Plan.

1.79. ***Requisite Consenting Lenders*** means Consenting Lenders holding more than 50% of all Prepetition Lender Claims held by all Consenting Lenders at any relevant moment in time; *provided, however,* that only the holdings of those Consenting Lenders who elect to participate in the deliberations with respect to the issue for which consent of the Requisite Consenting Lenders is sought shall be counted for purposes of calculating Requisite Consenting Lenders.

1.80. ***Restructuring Expenses*** means the reasonable and documented fees (including transaction fees) and expenses incurred by each of (a) the DIP Agent, (b) the Prepetition Agent, and (c) Purchaser Representative and its affiliates in connection with the transactions contemplated in this Plan whether incurred prepetition or post-petition, including the fees and expenses of one legal counsel and one financial advisor for the DIP Agent and Prepetition Agent and legal counsel and financial advisor for Colony Capital and Purchaser Representative, without the requirement for the filing of a proof of claim, retention applications, fee applications or any other applications in the Chapter 11 Cases, which, in each case, shall be Allowed in full and shall not be subject to any offset, defense, counterclaim, reduction or credit of any kind whatsoever.

1.81. ***Roll-Up DIP Claims*** means all DIP Claims on account of the $15 million portion of the Prepetition Credit Agreement that were rolled-up into the DIP Loan on the Petition Date, and any interest accrued thereon during the Chapter 11 Cases.

1.82. ***Secured Claim*** means a Claim to the extent (i) secured by a lien on property of the estate, to the extent of the value of such property (A) as set forth in the Plan, (B) as agreed to by the holder of such Claim and the Debtors or (C) as determined by a Final Order in accordance with section

506(a) of the Bankruptcy Code, or (ii) secured by the amount of any rights of setoff of the holder thereof under section 553 of the Bankruptcy Code.

1.83. ***Series B Preferred Interests*** means the 10% Series B Cumulative Perpetual Convertible Preferred Stock of LodgeNet Interactive.

1.84. ***Subsidiary Debtors*** means the Debtors, other than LodgeNet Interactive.

1.85. ***Subsidiary Interests*** means the Interests in the Debtors, other than LodgeNet Interactive.

1.86. ***Tax*** or ***Taxes*** means any federal, state, local, or non-U.S. income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under §59A of the Internal Revenue Code of 1986, as amended), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not, and including any liability under Treasury Regulation § 1.1502-6 or any analogous or similar state, local or non-U.S. law or regulation.

1.87. ***Unimpaired*** means, with respect to a Claim, Interest or Class of Claims or Interests, not "impaired" within the meaning of section 1123(a)(4) and 1124 of the Bankruptcy Code.

B. **Interpretation; Application of Definitions and Rules of Construction.**

Unless otherwise specified, all section or exhibit references in the Plan are to the respective section in, or exhibit to, the Plan, as the same may be amended, waived or modified from time to time. The words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained therein. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. For purposes herein: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (2) any reference herein to a contract, lease, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, all references herein to "Sections" are references to Sections hereof or hereto; (4) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (5) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

C. **Reference to Monetary Figures.**

All references in the Plan to monetary figures shall refer to the legal tender of the United States of America, unless otherwise expressly provided.

D. **Controlling Document.**

In the event of an inconsistency between the Plan and the Plan Supplement, the terms of the relevant document in the Plan Supplement shall control (unless stated otherwise in such Plan Supplement document). The provisions of the Plan and of the Confirmation Order shall be construed in a

manner consistent with each other so as to effect the purposes of each; provided, that if there is determined to be any inconsistency between any Plan provision and any provision of the Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern and any such provision of the Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

SECTION 2. **ADMINISTRATIVE EXPENSE AND PRIORITY CLAIMS.**

2.1. ***Administrative Expense Claims*.**

Except to the extent that a holder of an Allowed Administrative Expense Claim and the Debtors or the Reorganized Debtors agree to different treatment, the Debtors (or the Reorganized Debtors, as the case may be) shall pay to each holder of an Allowed Administrative Expense Claim, in full and final satisfaction of its Administrative Expense Claim, Cash in an amount equal to such Claim on, or as soon thereafter as is reasonably practicable, the later of (a) the Effective Date and (b) the first Business Day after the date that is thirty (30) calendar days after the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim; provided, however, that subject to section 2.4 hereof, Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtors, as debtors in possession, or liabilities arising under loans or advances to or other obligations incurred by the Debtors, as debtors in possession, whether or not incurred in the ordinary course of business, shall be paid by the Debtors in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions.

2.2. ***Fee Claims.***

All entities seeking an award by the Bankruptcy Court of Fee Claims (a) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Effective Date and (b) shall be paid in full from the Debtors' or Reorganized Debtors' Cash on hand in such amounts as are Allowed by the Bankruptcy Court (i) upon the later of (A) the Effective Date and (B) the date upon which the order relating to any such Allowed Fee Claim is entered or (ii) upon such other terms as may be mutually agreed upon between the holder of such an Allowed Fee Claim and the Debtors or, on and after the Effective Date, the Reorganized Debtors. The Reorganized Debtors are authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

2.3. ***Priority/Secured Tax Claims.***

Except to the extent that a holder of an Allowed Priority/Secured Tax Claim agrees to a different treatment, each holder of an Allowed Priority/Secured Tax Claim shall, in full satisfaction, release, and discharge of such Allowed Priority/Secured Tax Claim be paid, in the sole discretion of the Reorganized Debtors (1) in full in Cash on the latest to occur of (a) the Effective Date, to the extent such Claim is an Allowed Priority/Secured Tax Claim on the Effective Date, (b) on the date such Claim becomes and Allowed Priority/Secured Tax Claim, or (c) to the extent such Claim is not Allowed, but is due and owing on the Effective Date, in accordance with the terms of any agreement between the Debtors and such holder, or as may be due and owing under applicable non-bankruptcy law, or in the ordinary course of business, or (2) as otherwise permitted by the Bankruptcy Code.

2.4. ***DIP Claims.***

On the Effective Date, all DIP Claims shall be Allowed and, other than any Roll-Up DIP Claims, paid in full in Cash on the Effective Date. In accordance with section 5.6 hereof, the Roll-Up DIP Claims, will automatically be deemed to be amounts outstanding under the Exit Term Loan on the Effective Date.

SECTION 3. **CLASSIFICATION OF CLAIMS AND INTERESTS.**

3.1. ***Summary of Classification.***

The following table designates the Classes of Claims against and Interests in each of the Debtors and specifies which of those Classes are (a) Impaired or Unimpaired by the Plan, (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code and (c) deemed to accept or reject the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority/Secured Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in this Section 3. The classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have holders of Claims or Interests in a particular Class or Classes, and such Classes shall be treated as set forth in Section 3.3.

Class	Designation	Treatment	Entitled to Vote
1	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
2	Prepetition Lender Claims	Impaired	Yes
3	Other Secured Claims	Unimpaired	No (deemed to accept)
4	General Unsecured Claims	Unimpaired	No (deemed to accept)
5	Intercompany Claims	Unimpaired	No (deemed to accept)
6	Interests in Subsidiary Debtors	Unimpaired	No (deemed to accept)
7	Series B Preferred Interests in LodgeNet Interactive	Impaired	No (deemed to reject)
8	Interests in LodgeNet Interactive	Impaired	No (deemed to reject)

3.2. ***Special Provision Governing Unimpaired Claims.***

Except as otherwise provided in the Plan, nothing under the Plan shall affect the rights of the Debtors or the Reorganized Debtors, as applicable, in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims.

3.3. ***Elimination of Vacant Classes.***

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

SECTION 4. **TREATMENT OF CLAIMS AND INTERESTS.**

4.1. ***Priority Non-Tax Claims (Class 1).***

(a) *Classification*: Class 1 consists of Priority Non-Tax Claims against the Debtors.

(b) *Treatment*: Except to the extent that a holder of an Allowed Priority Non-Tax Claim against any of the Debtors has agreed to less favorable treatment of such Claim, each such holder shall receive, in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim, in each case, or as soon as reasonably practicable thereafter.

(c) *Voting*: Class 1 is Unimpaired, and the holders of Priority Non-Tax Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Priority Non-Tax Claims are not entitled to vote to accept or reject the Plan.

4.2. ***Prepetition Lender Claims (Class 2).***

(a) *Classification*: Class 2 consists of the Prepetition Lender Claims against the Debtors.

(b) *Allowance*: The Prepetition Lender Claims are Allowed in an amount of $346,400,000 million on account of unpaid principal, plus interest, fees and other expenses, arising under or in connection with the Prepetition Credit Agreement; provided, however, that any Prepetition Lender Claims held by the Debtors or any affiliate of the Debtors are deemed waived and not Allowed.

(c) *Treatment*: On the Effective Date, each holder of an Allowed Class 2 Prepetition Lender Claim shall receive, in full and final satisfaction of its Prepetition Lender Claim, its *pro rata* share of the Exit Term Loan, allocated between the Exit Term A Loan and the Exit Term B Loan in the manner set forth in the Exit Loan Agreement..

(d) *Voting*: Class 2 is Impaired, and holders of Prepetition Lender Claims are entitled to vote to accept or reject the Plan.

4.3. ***Other Secured Claims (Class 3).***

(a) *Classification*: Class 3 consists of the Other Secured Claims. To the extent that Other Secured Claims are secured by different collateral or different interests in the same collateral, such Claims shall be treated as separate subclasses of Class 3.

(b) *Treatment*: Except to the extent that a holder of an Allowed Other Secured Claim against any of the Debtors has agreed to less favorable treatment of such Claim, each holder of an Allowed Other Secured Claim shall receive, at the option of the Debtors or the Reorganized Debtors, an of (i) payment in full in Cash in full and final satisfaction of such claim, payable on the later of the Effective Date and the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, or, in each case, as soon as reasonably practicable thereafter, (ii) reinstatement pursuant to section 1124 of the Bankruptcy Code or (iii) such other recovery necessary to satisfy section 1129 of the Bankruptcy Code.

(c) *Voting*: Class 3 is Unimpaired, and the holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Other Secured Claims are not entitled to vote to accept or reject the Plan.

4.4. ***General Unsecured Claims (Class 4).***

(a) *Classification*: Class 4 consists of General Unsecured Claims against the Debtors.

(b) *Treatment*: Except to the extent that a holder of an Allowed General Unsecured Claim agrees to less favorable treatment of such Allowed General Unsecured Claim, each holder of an Allowed General Unsecured Claim shall receive in full and final satisfaction of such Claim, Cash in an amount equal to such Claim, payable on the later of the Effective Date and the date on which such General Unsecured Claim becomes an Allowed General Unsecured Claim, or, in each case, as soon as reasonably practicable thereafter.

(c) *Voting*: Class 4 is Unimpaired, and the holders of General Unsecured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of General Unsecured Claims are not entitled to vote to accept or reject the Plan.

4.5. ***Intercompany Claims (Class 5).***

(a) *Classification*: Class 5 consists of Intercompany Claims.

(b) *Treatment*: On the Effective Date, Intercompany Claims shall be reinstated by the Debtors.

(c) *Voting*: Class 5 is Unimpaired, and the holders of Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

4.6. ***Interests in Subsidiary Debtors (Class 6).***

(a) *Classification*: Class 6 consists of Interests in each of the Subsidiary Debtors.

(b) *Treatment*: On the Effective Date, all Interests in the Subsidiary Debtors shall continue to be owned by the entity that owned the Interest in the respective Subsidiary Debtors on the Petition Date, and the certificates and other documents representing such Interests shall remain in full force and effect.

(c) *Voting*: Class 6 is Unimpaired by the Plan, and the holders of the Allowed Interests in Subsidiary Debtors are conclusively deemed to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the holders of Interests in Subsidiary Debtors are not entitled to vote to accept or reject the Plan.

4.7. ***Series B Preferred Interests in LodgeNet Interactive (Class 7).***

(a) *Classification*: Class 7 consists of Series B Preferred Interests in LodgeNet Interactive.

(b) *Treatment*: All Series B Preferred Interests shall be deemed cancelled, and the holders of Series B Preferred Interests shall not receive or retain any property under the Plan on account of such interests.

(c) *Voting*: Class 7 is Impaired by the Plan, and the holders of the Allowed Series B Preferred Interests are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, the holders of Series B Preferred Interests are not entitled to vote to accept or reject the Plan.

4.8. ***Interests in LodgeNet Interactive (Class 8).***

(a) *Classification*: Class 8 consists of Interests in LodgeNet Interactive.

(b) *Treatment*: On the Effective Date, all Interests in LodgeNet Interactive shall be deemed cancelled, and the holders of Interests in LodgeNet Interactive shall not receive or retain any property under the Plan on account of such interests.

(c) *Voting*: Class 8 is Impaired by the Plan, and the holders of Interests in LodgeNet Interactive are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. The holders of Interests in LodgeNet Interactive are not entitled to vote to accept or reject the Plan.

SECTION 5. **MEANS FOR IMPLEMENTATION.**

5.1. ***Joint Chapter 11 Plan***

The Plan is a joint chapter 11 plan for each of the Debtors, with the Plan for each Debtor being non-severable and mutually dependent on the Plan for each other Debtor.

5.2. ***Colony Transaction***

On the Effective Date, subject to the terms and conditions set forth in the Investment Agreement, Reorganized LodgeNet Interactive shall issue to Purchasers or Purchaser Representative's designees, and Purchasers and Purchaser's Representatives designees shall purchase 100% of the New Common Stock on the Effective Date for an aggregate purchase price of $60,000,000; provided that, Purchaser Representative may assign the rights and obligations to purchase a portion of the New Common Stock in accordance with the terms of the Investment Agreement.

On the Effective Date, subject to the terms and conditions set forth in the Investment Agreement, Reorganized LodgeNet Interactive shall issue to the entities identified on Schedule C to the Investment Agreement, and such entities shall purchase warrants to purchase New Common Stock which, upon exercise represent 27.5% of the outstanding New Common Stock on a fully diluted basis for a purchase price of $5,000.

On the Effective Date, Purchaser(s), or designees in accordance with the terms of the Investment Agreement, may also purchase, at its option, any number of additional shares of New Common Stock at a price determined in the Investment Agreement, up to an aggregate additional purchase price of $30,000,000.

The Issuance of the New Common Stock and warrants to Purchasers and any designees of Purchaser Representative shall be authorized without the need for any further corporate action.

Purchasers and/or any designee(s) shall pay the aggregate purchase price to Reorganized LodgeNet Interactive on the Effective Date. The New Common Stock and warrants shall have the terms set forth in the Investment Agreement, Amended Organizational Documents and forms of warrants or term sheets therefor attached to the Investment Agreement.

5.3. ***Use of Proceeds of Colony Transaction***

On the Effective Date, the proceeds shall be used to fund payments required to be made under the Plan and any proceeds not required to fund payments under the Plan shall be retained by the Reorganized Debtors and shall be used for general corporate purposes, subject to any restrictions that are placed on use of such funds by the Exit Loan Agreement.

5.4. ***Settlement with DIRECTV***

On or before the Effective Date, pursuant to Bankruptcy Rule 9019, LodgeNet Interactive shall enter into a settlement with DIRECTV, LLC ("DIRECTV"), under which (a) Reorganized LodgeNet Interactive shall assume the Existing DIRECTV Agreement under this Plan and then replace the Existing DIRECTV Agreement with a new agreement with DIRECTV in the form agreed to between Colony Capital, LodgeNet Interactive and DIRECTV (the "DIRECTV Agreement"), and (b) DIRECTV's claim for amounts due and payable prior to the Petition Date shall be Allowed and paid in accordance with a payment schedule agreed to by LodgeNet Interactive and DIRECTV, each of cases (a) and (b), effective as of the Effective Date. The DIRECTV Agreement shall replace the Existing DIRECTV Agreement, which shall automatically terminate without liability of any party thereto upon the effectiveness of the DIRECTV Agreement on the Effective Date.

5.5. ***Distribution of Term A Loan Notes and Term B Loan Notes.***

On the Effective Date, LodgeNet Interactive will enter into the Exit Loan Agreement, which shall contain terms consistent with the Exit Term Loan Term Sheet and shall otherwise be in form acceptable to Purchaser Representative and the Requisite Consenting Lenders. On the Effective Date, the Exit Loan Agreement shall be executed and delivered, and the Reorganized LodgeNet Interactive shall be authorized to execute, deliver and enter into the Exit Loan Agreement in connection with the distribution to holders of Class 2 Prepetition Lender Claims, without the need for any further corporate action and without further action by the holders of Claims or Interests.

Upon entry into the Exit Loan Agreement, all security documents executed in connection with the Prepetition Credit Agreement, including the Guarantee and Collateral Agreement shall be amended or amended and restated, as may be necessary, to conform to the terms of the Exit Loan Agreement, and shall remain in full force and effect, and all Liens, rights, interests, duties and obligations thereunder shall survive the Effective Date and shall continue to secure all obligations under the Exit Loan Agreement. Without limiting the generality of the foregoing, all Liens and security interests granted pursuant to the Exit Loan Agreement (including, without limitation, the security documents executed in connection with the Prepetition Credit Agreement as amended or amended and restated in connection with the Exit Loan Agreement) to the Prepetition Agent and the Prepetition Lenders are intended to be (i) valid, binding, perfected, enforceable, Liens and security interests in the personal and real property described in and subject to such documents, with the priorities established in respect thereof under applicable non-bankruptcy law and (ii) not subject to avoidance, recharacterization or subordination under any applicable law.

5.6. ***Termination of DIP Loan Agreement***

On the Effective Date, (a) LodgeNet Interactive shall pay, in full in Cash by wire transfer or immediately available funds, all DIP Claims (excluding any Roll-Up DIP Claims); and (b) the commitments under the DIP Loan Agreement shall be terminated. All Roll-Up DIP Claims shall be deemed to be outstanding amounts under the Exit Term Loan. Upon payment or satisfaction in full of all DIP Claims in accordance with the terms thereof, all liens and security interests granted to secure such obligations shall be deemed terminated and shall be of no further force and effect. Notwithstanding the foregoing, all obligations of the Debtors (if any) to the DIP Agent and the DIP Lenders under the DIP Loan Agreement which are expressly stated in the DIP Loan Agreement as surviving such agreement's termination (including, without limitation, indemnification and expense reimbursement obligations) shall, as so specified, survive without prejudice and remain in full force and effect.

5.7. ***Exit Revolver***

On the Effective Date, LodgeNet Interactive will enter into the Exit Revolver on terms not inconsistent with the Exit Term Loan Term Sheet and shall otherwise be in substance reasonably acceptable to Purchaser Representative and the Requisite Consenting Lenders. On the Effective Date, the Exit Revolver Agreement shall be executed and delivered, and the Reorganized LodgeNet Interactive shall be authorized to execute, deliver and enter into the Exit Revolver Agreement, without the need for any further corporate action and without further action by the holders of Claims or Interests. On the Effective Date, the Guarantee and Collateral Agreement shall be amended and restated, if necessary, to provide for the grant of liens and security interests to secure the Exit Revolver.

5.8. ***Cancellation of Existing Securities and Agreements.***

Except for executory contracts and unexpired leases that have been assumed by the Debtors, on the Effective Date, all of the agreements and other documents evidencing (a) the Claims or rights of any holder of a Claim against the Debtors, including all credit agreements, and notes evidencing such Claims, (b) the Interests in LodgeNet Interactive (c) any options or warrants to purchase Interests of LodgeNet Interactive, or obligating such Debtors to issue, transfer or sell Interests or any other capital stock of such Debtors, shall be amended, restated, substituted for or cancelled, as the case may be, other than for purposes of evidencing a right to distributions under the Plan with respect to executory contracts or unexpired leases which have not been assumed by the Debtors or as otherwise provided hereunder.

5.9. ***Board of Directors and Management.***

(a) *Board of Directors.* Upon and following the Effective Date, the New Board and the boards of directors for each of the Reorganized Subsidiary Debtors shall comprise such number of directors as determined by Purchaser Representative. The members of the New Board and the new boards of each of the Reorganized Subsidiary Debtors will be identified no later than the Confirmation Hearing in accordance with section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, the terms of the current members of the boards of directors of the Debtors shall expire.

(b) *Directors and Officers of the Reorganized Debtors.* Except as otherwise provided in the Plan Supplement or as determined by Purchaser Representative prior to the Confirmation Hearing, the officers of the respective Reorganized Debtors immediately before the Effective Date shall serve as the initial officers of each of the respective Reorganized Debtors on or after the Effective Date and in accordance with any employment agreement with the Reorganized Debtors and applicable non-bankruptcy law. After the Effective Date, the selection of officers of the Reorganized Debtors shall be as provided by their respective organizational documents.

5.10. ***Merger/Dissolution/Consolidation.***

On the Effective Date or as soon as practicable thereafter and without need for any further action, the Reorganized Debtors may, subject to the terms of the Exit Loan Agreement, (i) cause any or all of the Debtors to be merged into one or more of the Reorganized Debtors, dissolved or otherwise consolidated, (ii) cause the transfer of assets between or among the Reorganized Debtors, or (iii) engage in any other transaction in furtherance of the Plan.

5.11. ***Cancellation of Liens.***

Except as otherwise specifically provided herein with respect to Classes 2 and 3, any Lien securing any Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any collateral or other property of the Debtors (including any Cash collateral) held by such holder and to take such actions as may be requested by the Reorganized Debtors, to evidence the release of such Lien, including the execution, delivery and filing or recording of such releases as may be requested by the Reorganized Debtors.

5.12. ***Withholding and Reporting Requirements.***

In connection with this Plan and all instruments issued in connection therewith and distributed thereon, the Debtors shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under this Plan shall be subject to any such withholding or reporting requirements. In the case of a non-Cash distribution that is subject to withholding, the distributing party may withhold an appropriate portion of such distributed property and sell such withheld property to generate Cash necessary to pay over the withholding tax. Any amounts withheld pursuant to the preceding sentence shall be deemed to have been distributed to and received by the applicable recipient for all purposes of the Plan. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed on such holder by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. The Debtors have the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to any issuing or disbursing party for payment of any such tax obligations. The Debtors may require, as a condition to receipt of a distribution, that the holder of an Allowed Claim complete and return a Form W-8 or W-9, as applicable to each such holder. If the Debtors make such a request and the holder fails to comply before the date that is 180 days after the request is made, the amount of such distribution shall irrevocably revert to the applicable Reorganized Debtor and any Claim in respect of such distribution shall be discharged and forever barred from assertion against such Reorganized Debtor or its respective property.

5.13. ***Exemption From Certain Transfer Taxes.***

Pursuant to section 1146(a) of the Bankruptcy Code, (a) any issuance, transfer or exchange of notes or equity securities under the Plan, (b) the creation of any mortgage, deed of trust or other security interest, or (c) the making or assignment of any lease or sublease, or the making or delivery of any instrument of transfer from a Debtor to a Reorganized Debtor or any other Person pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. Without limiting the foregoing, any issuance, transfer or exchange of a security

or any making or delivery of an instrument of transfer pursuant to the Plan shall be exempt from the imposition and payment of any and all transfer taxes (including, without limitation, any and all stamp taxes or similar taxes and any interest, penalties and addition to the tax that may be required to be paid in connection with the consummation of the Plan) pursuant to sections 1146(a), 505(a), 106 and 1141 of the Bankruptcy Code.

5.14. ***Management Incentive Plan.***

To the extent determined by Purchaser Representative in its sole discretion Reorganized LodgeNet Interactive shall adopt the new management incentive plan set forth in the Plan Supplement.

5.15. ***Sources of Consideration for Plan Distributions.***

Except as otherwise provided in the Plan or the Confirmation Order, all consideration necessary for the Reorganized Debtors to make payments pursuant to the Plan shall be obtained from the existing Cash balances of the Debtors, the purchase price specified in the Investment Agreement, the Exit Term Loan, the Exit Revolver, and the operations of the Debtors or the Reorganized Debtors. The Reorganized Debtors may also make such payments using Cash received from their subsidiaries through the Reorganized Debtors' consolidated cash management systems

5.16. ***Effectuating Documents; Further Transactions.***

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution and the Amended Organizational Documents pursuant to applicable state law; and (4) all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law, subject, in each case, to the Amended Organizational Documents.

On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards of directors thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

SECTION 6. **DISTRIBUTIONS**.

6.1. ***Distribution Record Date.***

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors or their respective agents, shall

be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Interests. The Debtors or the Reorganized Debtors shall have no obligation to recognize any transfer of the Claims or Interests occurring on or after the Distribution Record Date.

6.2. ***Date of Distributions.***

Except as otherwise provided herein, any and all distributions and deliveries to be made hereunder shall be made on the Effective Date, as soon thereafter as is practicable or as otherwise determined in accordance with the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

6.3. ***Disbursing Agent.***

All distributions hereunder shall be made by Reorganized LodgeNet Interactive (or such other entity designated by Reorganized LodgeNet Interactive), as Disbursing Agent, on or after the Effective Date, or as otherwise provided herein. No Disbursing Agent hereunder shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

6.4. ***Powers of Disbursing Agent.***

A Disbursing Agent shall be empowered to (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties hereunder, (b) make all distributions contemplated hereby and (c) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

6.5. ***Expenses of the Disbursing Agent.***

Except as otherwise ordered by the Bankruptcy Court, any reasonable fees and expenses incurred by the Disbursing Agent acting in such capacity (including taxes and reasonable attorneys' fees and expenses) on or after the Effective Date shall be paid in Cash by the Reorganized Debtors in the ordinary course of business.

6.6. ***Delivery of Distributions.***

(a) Subject to Bankruptcy Rule 9010, all distributions to any holder of an Allowed Claim shall be made to a Disbursing Agent, who shall transmit such distribution to the applicable holders of Allowed Claims. In the event that any distribution to any holder is returned as undeliverable, the Disbursing Agent shall use reasonable efforts to determine the current address of such holder, but no further distributions shall be made to such holder unless and until such Disbursing Agent is notified in writing of such holder's then-current address, at which time all currently-due, missed distributions shall be made to such holder as soon as reasonably practicable thereafter without interest*;* provided, however, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one (1) year from the Effective Date. After such date, all unclaimed property or interest in property shall revert to the Reorganized Debtors, and the Claim of any other holder to such property or interest in property shall be discharged and forever barred notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary.

(b) The Prepetition Agent shall be the Disbursing Agent for the Allowed Prepetition Lender Claims. Distributions under the Plan to holders of such Allowed Prepetition Lender Claims shall be made by the Reorganized Debtors to the Prepetition Agent, which, in turn, shall make the distributions to Prepetition Lenders. The Prepetition Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to its administration of distributions. Upon delivery by the Reorganized Debtors of the distributions in conformity with Sections 4.2 and 5.6 hereof to the Prepetition Agent, the Reorganized Debtors shall be released of all liability with respect to the delivery of such distributions.

(c) The DIP Agent shall be the Disbursing Agent for the Allowed DIP Claims. Distributions under the Plan to holders of such Allowed DIP Claims shall be made by the Debtors to the DIP Agent, which, in turn, shall make the distributions to DIP Lenders. The DIP Agent shall not be required to give any bond, surety or other security for the performance of its duties with respect to its administration of distributions. Upon delivery by the Debtors of the distributions in conformity with Sections 2.4 and 5.7 hereof to the DIP Agent, the Debtors shall be released of all liability with respect to the delivery of such distributions.

6.7. ***Manner of Payment Under Plan.***

(a) All distributions of the Exit Term Loan to the holders of Prepetition Lender Claims under the Plan shall be made by, or at the direction of, the Prepetition Agent on behalf of Reorganized LodgeNet Interactive.

(b) All distributions of Cash under the Plan shall be made by the applicable Disbursing Agent on behalf of the applicable Debtor.

(c) At the option of the Debtors, any Cash payment to be made hereunder may be made by a check or wire transfer or as otherwise required or provided in applicable agreements.

6.8. ***Fractional Units.***

No Fractional shares of New Common Stock shall be issued or distributed under the Plan and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New Common Stock that is not a whole number, the actual distribution of shares of New Common Stock shall be rounded as follows: (a) fractions of one-half (½) or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half (½) shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New Common Stock to be distributed to holders of Allowed Claims shall be adjusted as necessary to account for the foregoing rounding.

6.9. ***Setoffs.***

The Debtors and the Reorganized Debtors may, but shall not be required to, set off against any Claim (other than a Prepetition Lender Claim) (for purposes of determining the Allowed amount of such Claim on which distribution shall be made), any claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the holder of such Claim; provided, that neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claim the Debtors or the Reorganized Debtors may have against the holder of such Claim.

6.10. ***Distributions After Effective Date.***

Distributions made after the Effective Date pursuant to section 7.5 hereof to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

6.11. ***Allocation of Distributions Between Principal and Interest.***

Except as otherwise provided in this Plan, to the extent that any Allowed Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall be allocated to the principal amount (as determined for federal income tax purposes) of the Claim first, and then to accrued but unpaid interest.

6.12. ***Minimum Distributions.***

No payment of Cash in less than $100 shall be made to any holder of an Allowed Claim unless a request therfore is made in writing to the appropriate Disbursement Agent.

6.13. ***No Postpetition Interest on Claims.***

Except for DIP Claims or Prepetition Lender Claims (for the avoidance of doubt each of which shall accrue and be paid postpetition interest in accordance with the terms set forth in the agreements governing the DIP Claims and the Prepetition Lender Claims (at the non-default rate), as applicable) unless otherwise specifically provided for in this Plan or the Confirmation Order, or as required by applicable bankruptcy law, postpetition interest shall not accrue on or after the Petition Date on account of any Claim.

SECTION 7. **PROCEDURES FOR DISPUTED CLAIMS.**

7.1. ***Proofs of Claim/Disputed Claims/Process***

Notwithstanding section 502(a) of the Bankruptcy Code, and considering the unimpaired treatment of all holders of General Unsecured Claims under this Plan, all proofs of claim filed in these Chapter 11 Cases shall be considered objected to and Disputed without further action by the Debtors. Upon the Effective Date, all proofs of claim filed against the Debtors, regardless of the time of filing, and including claims filed after the Effective Date, shall be deemed withdrawn, other than as provided below. The deemed withdrawal of all proofs of claim is without prejudice to each claimant's rights under this section 7.1 of the Plan to assert their Claims in any forum as though the Debtors' cases had not been commenced. Notwithstanding anything in this section 7.1, (a) all Claims against the Debtors that result from the Debtors' rejection of an executory contract or unexpired lease, (b) disputes regarding the amount of any Cure pursuant to section 365 of the Bankruptcy Code and (c) Claims that the Debtors seek to have determined by the Bankruptcy Court, shall in all cases be determined by the Bankruptcy Court.

7.2. ***Objections to Claims.***

Except insofar as a Claim is Allowed under the Plan, notwithstanding Section 7.1 above, the Debtors, the Reorganized Debtors or any other party in interest shall be entitled to object to Claims. Any objections to Claims shall be served and filed on or before (a) the one-hundred and twentieth (120th) day following the later of (i) the Effective Date and (ii) the date that a proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim, or (b) such later date as may be fixed by the Bankruptcy Court.

7.3. ***Estimation of Claims.***

The Reorganized Debtors may at any time request that the Bankruptcy Court estimate any contingent, unliquidated or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtor previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Reorganized Debtors may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

7.4. ***No Distributions Pending Allowance.***

If an objection to a Claim is filed as set forth in Section 7.2, no payment or distribution provided under the Plan shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

7.5. ***Distributions After Allowance.***

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim unless required under applicable bankruptcy law.

7.6. ***Preservation of Claims and Rights to Settle Claims.***

Except as otherwise provided herein, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with this Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all Claims, Disputed Claims, rights, Causes of Action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their estates may hold against any Person, without the approval of the Bankruptcy Court, subject to the terms of Section 7.2 hereof, the Confirmation Order, and any contract, instrument, release, indenture, or other agreement entered into in connection herewith. The Reorganized Debtors or their successor(s) may pursue such retained Claims, rights, Causes of Action, suits or proceedings, as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

SECTION 8. **EXECUTORY CONTRACTS AND UNEXPIRED LEASES**.

8.1. ***General Treatment.***

Effective as of the Effective Date, all executory contracts and unexpired leases to which any of the Debtors are parties are hereby assumed, except for an executory contract or unexpired lease that (a) has previously been assumed or rejected pursuant to Final Order of the Bankruptcy Court, (b) is

specifically designated as a contract or lease to be rejected on a schedule of contracts and leases filed and served prior to commencement of the Confirmation Hearing, (c) is the subject of a separate (i) assumption motion filed by the Debtors or (ii) rejection motion filed by the Debtors under section 365 of the Bankruptcy Code before the Confirmation Date, or (d) is the subject of a pending objection regarding assumption, cure, "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) or other issues related to assumption of the contract or lease (a "Cure Dispute").

8.2. ***Determination of Cure Disputes and Deemed Consent.***

Following the Petition Date, the Debtors shall have served a notice on parties to executory contracts or unexpired leases to be assumed reflecting the Debtors' intention to assume the contract or lease in connection with this Plan and, where applicable, setting forth the proposed cure amount (if any). The proposed cure amount for any executory contract or unexpired lease not listed on the schedule shall be $0.

To the extent that an objection to assumption, cure, "adequate assurance of future performance," or other issues related to assumption of the contract or lease was filed within fifteen (15) days of service of notice of intent to assume or reject, and properly served on the Debtors with respect to the assumption of any contract or lease, then any Cure Dispute that was not scheduled for a hearing by the Bankruptcy Court on or before the date of the Confirmation Hearing shall be scheduled for a later date as may be determined by the Bankruptcy Court. Following resolution of a Cure Dispute by Final Order of the Bankruptcy Court, the contract or lease shall be deemed assumed effective as of the Effective Date, provided, however, that the Debtors reserve the right to reject any such contract or lease following entry of a Final Order of the Bankruptcy Court resolving any such Cure Dispute, by filing a notice indicating such rejection within 3 Business Days of the entry of such Final Order.

8.3. ***Payment of Cure and Effect of Assumption of Contracts and Leases.***

Subject to resolution of any Cure Dispute, any monetary amounts by which any executory contract and unexpired lease to be assumed hereunder is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtors upon assumption thereof.

To the extent that an objection was not timely filed and properly served on the Debtors with respect to the assumption of a contract or lease, then the counterparty to such contract or lease shall be deemed to have assented to (i) the Cure amount proposed by the Debtors and (ii) the assumption of the applicable executory contract or unexpired lease, notwithstanding any provision of such contract that (a) prohibits, restricts or conditions the transfer or assignment of such contract or (b) terminates or permits the termination of a contract as a result of any direct or indirect transfer or assignment of the rights of the Debtor under such contract or a change in the ownership or control of LodgeNet Interactive contemplated by the Plan, and shall forever be barred and enjoined from asserting such objection against the Debtors or terminated or modifying such contract on account of transactions contemplated by the Plan.

Assumption of any executory contract or unexpired lease pursuant to the Plan, or otherwise, shall result in the full release and satisfaction of any Claims or defaults, subject to satisfaction of the Cure, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time before the effective date of assumption. Any proofs of claim filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court or any other entity

8.4. ***Rejection Claims.***

In the event that the rejection of an executory contract or unexpired lease by any of the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a timely filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors or the Reorganized Debtors, or their respective properties or interests in property as agents, successors or assigns, unless a proof of claim is filed with the Bankruptcy Court and served upon counsel for the Debtors and the Reorganized Debtors no later than thirty (30) days after (i) the date of entry of an order by the Bankruptcy Court approving such rejection, or (2) the date of the filing of a notice by the Debtors after the Effective Date indicating such rejection in accordance with Section 8.2 hereof. The Confirmation Order shall constitute the Bankruptcy Court's approval of the rejection of all the leases and contracts identified in the Schedule of Rejected Contracts.

8.5. ***Survival of the Debtors' Indemnification Obligations.***

Any obligations of the Debtors pursuant to their corporate charters, bylaws, or other organizational documents to indemnify current and former officers, directors, agents and/or employees with respect to all present and future actions or omissions, suits and proceedings against the Debtors or such directors, officers, agents and/or employees, based upon any act or omission occurring at or prior to the Effective Date for or on behalf of the Debtors shall not be discharged or impaired by confirmation of the Plan provided that the Reorganized Debtors shall not indemnify directors of the Debtors for any Claims or Causes of Action arising out of or relating to any act or omission that is a criminal act or constitutes intentional fraud. All such obligations shall be deemed and treated as executory contracts to be assumed by the Debtors under the Plan and shall continue as obligations of the Reorganized Debtors. Any claim based on the Debtors' obligations herein shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code.

In addition, after the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce the coverage under any directors' and officers' insurance policies (including any "tail policy") in effect as of Petition Date, and all directors and officers of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such directors and/or officers remain in such positions after the Effective Date.

8.6. ***Survival of Other Employment Arrangements***

Except and to the extent previously assumed or rejected by an order of the Bankruptcy Court entered on or before the Effective Date, all employee compensation and benefit plans entered into before or after the Petition Date and not since terminated shall be deemed to be, and shall be treated as if they were, executory contracts to be assumed pursuant to the Plan. The Debtors' obligations under such plans and programs shall survive confirmation of the Plan, except for (a) executory contracts or employee benefit plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code) and (b) such executory contracts or employee benefit plans as have previously been rejected, are the subject of a motion to reject as of the Effective Date, or have been specifically waived by the beneficiaries of any employee benefit plan or contract. Notwithstanding anything in this Section 8.6 to the contrary, any equity incentive plans of any of the Debtors, and any stock option, restricted stock or other equity agreements and any stock appreciation rights or similar equity incentives or equity based incentives or other obligations or liabilities the value of which depend on the price of, or distributions paid with respect to, equity securities, shall be cancelled as of the Effective Date and the Debtors shall have no liability or responsibility in respect of such equity interests.

8.7. ***Insurance Policies.***

All insurance policies pursuant to which the Debtors have any obligations in effect as of the date of the Confirmation Order shall be deemed and treated as executory contracts pursuant to the Plan and shall be assumed by the respective Debtors and Reorganized Debtors and shall continue in full force and effect. All other insurance policies shall revest in the Reorganized Debtors.

8.8. ***Workers' Compensation Programs.***

Except as otherwise expressly provided in the Plan, as of the Effective Date, the Debtors and the Reorganized Debtors shall continue to honor their obligations under (i) all applicable workers' compensation laws in states in which the Reorganized Debtors operate and (ii) the Debtors' written contracts, agreements, agreements of indemnity, self-insurer workers' compensation bonds and any other policies, programs and plans regarding or relating to workers' compensation and workers' compensation insurance. All such contracts and agreements are treated as executory contracts under the Plan and on the Effective Date will be assumed pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, with a cure amount of zero

8.9. ***Reservation of Rights.***

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

Nothing in the Plan will waive, excuse, limit, diminish or otherwise alter any of the defenses, Claims, Causes of Action or other rights of the Debtors and the Reorganized Debtors under any executory or non executory contract or any unexpired or expired lease.

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

SECTION 9. **CONDITIONS PRECEDENT TO THE EFFECTIVE DATE.**

9.1. ***Conditions Precedent to the Effective Date.***

The occurrence of the Effective Date of the Plan is subject to the following conditions precedent:

(a) the Bankruptcy Court shall have entered the Confirmation Order acceptable to the Debtors, Purchaser Representative (in accordance with Purchaser Representative's consent rights set forth in the Investment Agreement) and the Requisite Consenting Lenders (in accordance with Requisite Consenting Lenders' consent rights set forth in the Plan Support and Lock-Up Agreement) and such Confirmation Order shall have become a Final Order;

(b) the conditions to closing set forth in section 10.1 of the Investment Agreement shall have been satisfied or waived in accordance with the terms thereof, and such Investment Agreement shall be in full force and effect;

(c) there shall be no existing default under the Plan Support and Lock-Up Agreement, which default would permit the Requisite Consenting Lenders to terminate the Plan Support and Lock-Up Agreement (notwithstanding any cure periods), the Plan Support and Lock-Up Agreement shall not have been terminated in accordance with the terms thereof, and such Plan Support and Lock-Up Agreement shall be in full force and effect;

(d) the Definitive Documents, including all documentation related thereto, shall be in substance consistent with the Exit Term Loan Term Sheet, and acceptable to the Debtors, Purchaser Representative (in accordance with Purchaser Representative's consent rights set forth in the Investment Agreement) and the Requisite Consenting Lenders (in accordance with Requisite Consenting Lenders' consent rights set forth in the Plan Support and Lock-Up Agreement), and shall be executed by all parties thereto;

(e) the Debtors shall have received all authorizations, consents, regulatory approvals, rulings, no-action letters, opinions or documents necessary to implement the Plan and that are required by law, regulation, or order; and

(f) the amended and restated certificate of incorporation for Reorganized LodgeNet Interactive shall have been filed with the Secretary of State of the State of Delaware.

9.2. ***Waiver of Conditions Precedent.***

Each of the conditions precedent in Section 9.1 may be waived in writing by the Debtors (with the prior consent of Purchaser Representative in accordance with Purchaser Representative's consent rights set forth in the Investment Agreement, and the Requisite Consenting Lenders in accordance with the requisite Consenting Lender's consent rights set forth in the Plan Support and Lock-Up Agreement), solely without notice or order of the Bankruptcy Court.

SECTION 10. **EFFECT OF CONFIRMATION.**

10.1. ***Vesting of Assets.***

On the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of the Debtors' estates shall vest in the Reorganized Debtors free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided pursuant to this Plan, the Confirmation Order, the Exit Loan Agreement, the Exit Revolver Agreement and the Amended and Restated Guarantee and Collateral Agreement. Except as otherwise provided in the Plan, each of the Debtors, as Reorganized Debtors, shall continue to exist on and after the Effective Date as a separate legal entity with all of the powers available to such legal entity under applicable law, without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) in accordance with such applicable law. The Reorganized Debtors may operate their businesses and may use, acquire and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided herein.

10.2. ***Binding Effect.***

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Interest in, the Debtors, and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

10.3. ***Discharge of Claims and Termination of Interests.***

Except as otherwise provided in the Plan, effective as of the Effective Date: (a) the rights afforded in the Plan and the treatment of all Claims and Interests shall be in exchange for and in complete satisfaction, discharge and release of all Claims and Interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against the Debtors or any of their assets, property or estates; (b) the Plan shall bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) all Claims and Interests shall be satisfied, discharged and released in full, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all entities shall be precluded from asserting against the Debtors, the Debtors' estates, the Reorganized Debtors, their successors and assigns and their assets and properties any other Claims or Interests based upon any documents, instruments or any act or omission, transaction or other activity of any kind or nature that occurred before the Effective Date.

10.4. ***Term of Injunctions or Stays.***

Unless otherwise provided, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

10.5. ***Injunction Against Interference with Plan.***

From and after the Effective Date, all entities are permanently enjoined from commencing or continuing in any manner, any suit, action or other proceeding, on account of or respecting any claim, demand, liability, obligation, debt, right, cause of action, interest or remedy released or to be released pursuant to the Plan or the Confirmation Order.

10.6. ***Releases by the Debtors.***

As of the Effective Date, and in consideration for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors and the Estates from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, the Reorganized Debtors, the Estates or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Support and Lock-Up Agreement, the Investment Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement or related agreements, instruments or other documents, the solicitation of votes with respect to the Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; except that nothing in this Section shall be construed to

release any party or entity from intentional fraud or criminal conduct as determined by Final Order.

10.7. ***Releases By Holders of Claims and Interests*.**

As of the Effective Date, and in consideration for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, each Releasing Party, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Debtors, the Reorganized Debtors and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Support and Lock-Up Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement, the Investment Agreement, or related agreements, instruments or other documents, the solicitation of votes with respect to the Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; except that nothing in this Section shall be construed to release any party or entity from intentional fraud or criminal conduct as determined by Final Order.

10.8. ***Exculpation*.**

No Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from any claim, obligation, cause of action or liability for any claim in connection with or arising out of, the administration of the Chapter 11 Cases, the entry into the Plan Support and Lock-Up Agreement, the Investment Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement and related documents and the consummation of the transactions contemplated therein, the negotiation and pursuit of the Plan, or the solicitation of votes for, or confirmation of, the Plan, the funding of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, and the issuance of securities under or in connection with the Plan or the transactions contemplated by the foregoing, except for willful misconduct or gross negligence, intentional fraud or criminal conduct, but in all respects such entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Debtors, the Reorganized Debtors, the DIP Lenders, the DIP Agent, the Prepetition Agent, the Prepetition Lenders, Colony Capital, Purchasers (and each of their respective affiliates, agents, directors, officers, employees, advisors and attorneys) have participated in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of the securities pursuant to the Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan, including the issuance of securities thereunder.

10.9. ***Retention of Causes of Action/Reservation of Rights.***

(a) Except as otherwise provided herein, including Sections 10.5, 10.6, 10.7 and 10.8, pursuant to section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce, sue on, settle or compromise (or decline to do any of the foregoing) all claims, rights, causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their estates may hold against any person or entity without the approval of the Bankruptcy Court, including, without limitation, (i) any and all Claims against any person or entity, to the extent such person or entity asserts a crossclaim, counterclaim and/or Claim for setoff which seeks affirmative relief against the Debtors, the Reorganized Debtors, their officers, directors or representatives; and (ii) the turnover of any property of the Debtors' estates; provided, however that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties. The Reorganized Debtors or their successor(s) may pursue such retained claims, rights, or causes of action, suits or proceedings, as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

(b) Except as otherwise provided herein, including sections 10.5, 10.6, 10.7 and 10.8, nothing contained herein or in the Confirmation Order shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, right of setoff or other legal or equitable defense which the Debtors had immediately before the Petition Date, against or with respect to any Claim left Unimpaired by the Plan; provided, however that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties. The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such Claims, Causes of Action, rights of setoff and other legal or equitable defenses which they had immediately before the Petition Date with respect to any Claim left Unimpaired by the Plan as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any Claim left Unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

10.10. ***Solicitation of the Plan.***

The Debtors (a) shall be deemed to have solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including without limitation, sections 1125(a) and (e) of the Bankruptcy Code, and any applicable non-bankruptcy law, rule or regulation governing the adequacy of disclosure in connection with such solicitation and (b) and each of their respective directors, officers, employees, affiliates, agents, financial advisors, investment bankers, professionals, accountants and attorneys shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Plan, and therefore are not, and on account of such offer, issuance and solicitation will not be, liable at any time for any violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of any securities under the Plan.

10.11. ***Securities Law Exemption.***

The issuance of and the distribution under the Plan of (i) New Common Stock to Purchasers, and any designees, under section 5.2 of this Plan, and (ii) warrants to purchase New Common Stock to entities identified on Schedule C to the Investment Agreement under section 5.2 of this Plan, shall be exempt from registration under the Securities Act of 1933, as amended, and other applicable securities laws without further act or action by any Person pursuant to section 4(a)(2) of the Securities Act of 1933, as amended.

10.12. ***Plan Supplement.***

The Plan Supplement filed with the Clerk of the Bankruptcy may be inspected in the office of the Clerk of the Bankruptcy Court during normal court hours. Documents included in the Plan Supplement have been posted at the website of the Debtors' notice, claims and solicitation agent.

SECTION 11. **RETENTION OF JURISDICTION.**

On and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising in, arising under, and related to the Chapter 11 Cases for, among other things, the following purposes:

(a) to hear and determine motions and/or applications for the assumption or rejection of executory contracts or unexpired leases and the allowance, classification, priority, compromise, estimation or payment of Claims resulting therefrom;

(b) to determine any motion, adversary proceeding, application, contested matter and other litigated matter pending on or commenced after the Confirmation Date;

(c) to ensure that distributions to holders of Allowed Claims are accomplished as provided herein;

(d) to consider Claims or the allowance, classification, priority, compromise, estimation or payment of any Claim;

(e) to enter, implement or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

(f) to issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(g) to hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(h) to hear and determine all applications under sections 330, 331 and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred before the Confirmation Date;

(i) to hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan, the Plan Supplement, the Confirmation Order, any transactions or payments contemplated hereby, or any agreement, instrument or other document governing or relating to any of the foregoing;

(j) to take any action and issue such orders as may be necessary to construe, interpret, enforce, implement, execute and consummate the Plan or to maintain the integrity of the Plan following consummation;

(k) to hear any disputes arising out of, and to enforce, the order approving alternative dispute resolution procedures to resolve personal injury, employment litigation and similar claims pursuant to section 105(a) of the Bankruptcy Code;

(l) to determine such other matters and for such other purposes as may be provided herein or in the Confirmation Order;

(m) to hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code);

(n) to adjudicate, decide or resolve any Causes of Actions;

(o) to adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;

(p) to resolve any cases, controversies, suits, disputes or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim for amounts not timely repaid;

(q) to adjudicate any and all disputes arising from or relating to distributions under the Plan;

(r) to hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code;

(s) to enter a final decree closing the Chapter 11 Cases;

(t) to recover all assets of the Debtors and property of the Debtors' estates, wherever located; and

(u) to hear and determine any rights, Claims or causes of action held by or accruing to the Debtors pursuant to the Bankruptcy Code or pursuant to any federal statute or legal theory.

SECTION 12. **MISCELLANEOUS PROVISIONS.**

12.1. ***Payment of Statutory Fees.***

On the Effective Date, and thereafter as may be required, the Debtors shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

12.2. ***Substantial Consummation.***

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

12.3. ***Request for Expedited Determination of Taxes.***

The Reorganized Debtors shall have the right to request an expedited determination under section 505(b) of the Bankruptcy Code with respect to tax returns filed, or to be filed, for any and all taxable periods ending after the Petition Date through the Effective Date.

12.4. ***Effectuating Documents and Further Transactions.***

Each of the officers of the Reorganized Debtors is authorized, in accordance with his or her authority under the resolutions of the applicable board of directors, to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

12.5. ***Severability of Plan Provisions.***

If any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors (with the prior written consent of Purchaser Representative and Requisite Consenting Lenders, which consent shall not be unreasonably withheld; provided that such consent may be withheld without regard to reasonableness, to the extent that such alteration, amendment or modification would have an adverse effect on the Purchasers or any Consenting Lender), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12.6. ***Governing Law.***

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit hereto or a schedule in the Plan Supplement provides otherwise, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

12.7. ***Time.***

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

12.8. ***Immediate Binding Effect.***

Notwithstanding Bankruptcy Rules 3020(e), 6004(h) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and Plan Supplement shall be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtors, the holders of Claims and Interests (irrespective of whether holders of such Claims and Interests are deemed to have accepted the Plan), the Released Parties, the Exculpated Parties and each of their respective successors and assigns, including, without limitation, the Reorganized Debtors.

12.9. ***Successor and Assigns.***

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or permitted assign, if any, of each Person.

12.10. ***Entire Agreement.***

On the Effective Date, the Plan, the Investment Agreement, the Plan Supplement and the Confirmation Order shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and integrated into the Plan.

12.11. ***Notices.***

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

(i) if to the Debtors:

LodgeNet Interactive Corporation
3900 West Innovation Street
Sioux Falls, SD 57107
Telephone: (605) 988-1000
Facsimile: (605) 988-1323
Attn: James Naro, Esq.
James.naro @lodgenet.com

with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth, Avenue
New York, New York 10153
Attn: Gary T. Holtzer, Esq.
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Gary.holtzer@weil.com

(ii) if to Colony Capital, Purchasers or Purchaser Representative:

Colony Capital, LLC
2450 Broadway, 6th Floor
Santa Monica, CA 90404
Attn: Richard Nanula
Telephone: (310) 282-8820
Facsimile: (310) 282-8816
rnanula@colonyinc.com

with a copy to:

Liner Grode Stein LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024

Attn: Joshua Grode, Esq.
Telephone: (310) 500-3551
Facsimile: (310) 500-3501
jgrode@linerlaw.com

and

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004-2498
Attn: Andrew G. Dietderich, Esq. and Alexandra Korry, Esq.
Telephone: (212) 558-3830
Facsimile: (212) 558-3588
dietdericha@sullcrom.com
korrya@sullcrom.com

(iv) if to the Prepetition Agent or DIP Agent:

Gleacher Products Corp.
1290 Avenue of the Americas
New York, New York 10104
Attn: Joanna W. Anderson
Telephone: (212) 273-7219
Facsimile: (646) 786-4385
Joanna.anderson@gleacher.com

with a copy to:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Michael Stamer, Esq. and Philip C. Dublin, Esq.
Telephone: (212) 872-1025
Facsimile: (212) 872-1002
mstamer@akingump.com
pdublin@akingump.com

After the Effective Date, the Debtors have authority to send a notice to Persons that, to continue to receive documents pursuant to Bankruptcy Rule 2002, they must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Persons receiving documents pursuant to Bankruptcy Rule 2002 to those Persons who have filed such renewed requests.

Dated: January 4, 2013

Respectfully submitted,

LodgeNet Interactive Corporation
LodgeNet International Inc.
LodgeNet StayOnline Inc.
On Command Corporation
On Command Video Corporation
LodgeNet Healthcare Inc.
The Hotel Networks Inc.
Hotel Digital Network Inc.
Puerto Rico Video Entertainment Corporation
Virgin Islands Video Entertainment Corporation
Spectradyne International Inc.

By: /s/ James Naro

Exhibit A

Exit Term Loan Term Sheet

LODGENET

$346.4 Million Credit Agreement

Debt Restructuring Term Sheet

Dated December 30, 2012

This Debt Restructuring Term Sheet sets forth the terms and conditions of the proposed refinancing of the obligations of LodgeNet Interactive Corporation under the Credit Agreement dated as of April 4, 2007 (the "2007 Credit Agreement"), as amended by the First Amendment thereto dated as of March 17, 2011 (the "2011 Amendment") and by the Successor Agent Agreement dated as of October 2, 2012 (the "Successor Agent Agreement") and by the Forbearance Agreement and Second Amendment to Credit Agreement dated as of October 15, 2012 (the "Second Amendment", and the 2007 Credit Agreement as amended by the 2011 Amendment, the Successor Agent Agreement and the Second Amendment, the "Existing Credit Agreement"), among LodgeNet Interactive Corporation, Gleacher Products Corp., in its capacity as administrative agent for the lenders, and the lenders thereunder (the "Existing Lenders"), in connection with the investment by Colony Capital, LLC ("CCL"), acting through Colony-L Acquisition, LLC, a newly formed entity and an affiliate of CCL ("Colony-L Acquisition" and, together with CCL collectively, "Colony") or its designees, in the Borrower in an amount not less than $50.0 million on terms reasonably acceptable to the Existing Lenders (the "Investment") as part of the corporate restructuring of the Borrower (the "Transaction") and the related prepackaged or pre-arranged chapter 11 bankruptcy case (the "Case") and plan of organization (the "Plan"; the date of consummation of the Plan being referred to herein as the "Closing Date").

The Plan will provide that all outstanding principal of loans under the Existing Credit Agreement, and all accrued and unpaid interest thereon (calculated at the non-default contract interest rate; any unpaid interest accrued prior to the commencement or during the pendency of the Case in excess thereof shall be discharged by the Plan) shall be capitalized and refinanced on the Transaction closing date with the proceeds of the new credit facilities described herein (up to the maximum amount set forth herein, with amounts in excess thereof being discharged in the Case). The Plan will not provide for any principal payment to the lenders from proceeds of the Investment or other cash of the Borrower. Certain terms are used herein as defined in Annex A hereto.

I. Parties:

Borrower:	LodgeNet Interactive Corporation, a Delaware corporation f/k/a LodgeNet Entertainment Corporation (the "Borrower").
Guarantors:	Each of the Borrower's direct and indirect wholly-owned domestic subsidiaries.

II. Types and Amounts of Credit Facilities:

Term Loan A:	$346.4 million five-year term loan (*plus* capitalized interest accrued (i) pre-petition and (ii) post-petition through the earlier of the Closing Date and date that is 90 days after the petition date, in each case at the non-default contract interest rate), *less* the original aggregate principal amount of Term Loan B (if any).

Term Loan B:	Up to $125.0 million seven-year term loan (together with Term Loan A, the "New Credit Facilities").
Revolving Credit Facility:	A separate $20.0 million five-year revolving credit facility on terms satisfactory to Colony, inclusive of a $5.0 million letter of credit sub-facility, which shall be unfunded after giving effect to the Transaction on the Closing Date (the "Revolving Credit Facility"). For the avoidance of doubt, the Existing Lenders are not committing to the Revolving Credit Facility.

III. Payment Provisions:

Interest Rate:	The principal-weighted blended interest rate for Term Loan A and Term Loan B shall be 6.75% *per annum* (the "Blended Interest Rate Cap"); *provided* that default interest accruing only on any principal of or interest on the Loans that is not paid when due at a rate *per annum* 2.00% in excess of the otherwise applicable interest rate, shall not be subject to the Blended Interest Rate Cap. Notwithstanding the foregoing, the aggregate amount of interest that will accrue and be payable (in cash or in-kind) on any interest payment date shall be subject to reduction in accordance with Annex C hereto. On four interest payment dates occurring during the term of the New Credit Facilities and selected by the Borrower, the Borrower may at its election pay in-kind accrued and unpaid interest then due in respect of the New Facilities; *provided* that (i) the Borrower may so elect to pay accrued and unpaid interest in-kind on any interest payment date only if the Borrower has cash on hand, cash equivalents and borrowing availability under the Revolving Credit Facility on the 5th business day preceding such interest payment date aggregating less than $50.0 million, and (ii) on each such interest payment date on which the Borrower elects to pay in-kind interest, the Borrower shall pay in cash accrued interest at a rate not less than 1.00% *per annum* and may pay in-kind all or any portion of the remaining accrued and unpaid interest.
Fees:	None.
Maturity Date:	Term Loan A: five (5) years after the Closing Date. Term Loan B: seven (7) years after the Closing Date.
Prepayment Premium:	Term Loan A and Term Loan B: None.
Amortization:	Term Loan A and Term Loan B: 1.00% each year of the outstanding amount thereof on the Closing Date, in equal quarterly installments.
Mandatory Prepayment:	The following amounts shall be applied to prepay the Term Loans (mandatory prepayments described in clauses (a) (in respect of a mandatory prepayment from proceeds of incurrence of Subordinated Debt) and (d) below may be applied to Term Loan A and/or Term Loan B at the discretion of the Borrower; mandatory prepayments described in clauses (a) (in respect of a mandatory prepayment from proceeds of incurrence of Permitted Senior Notes), (b) and (c) below

shall be applied first, to Term Loan A until it is paid in full and then, to Term Loan B):

(a) 100.0% of the net proceeds of any incurrence of Subordinated Debt (other than Subordinated Debt incurred to fund a Permitted Acquisition) or Permitted Senior Notes;

(b) 100.0% of the net proceeds of any sale or other disposition of assets (in excess of a $5.0 million annual threshold and subject to 365-day reinvestment rights and certain other exceptions);

(c) the ECF Percentage of Excess Cash Flow; and

(d) 50.0% of the net proceeds of any issuance of any capital stock of the Borrower subject to customary exceptions and the following exceptions, (i) capital stock issued in connection with a Permitted Acquisition, (ii) capital stock issued to Colony or any of its affiliates or any other Purchaser or Purchaser Designee in connection with the closing of the transaction (both as defined in the definitive investment agreement entered into among the Borrower and such Purchasers in connection with the Investment), and (iii) the first $20.0 million of net proceeds from the sale of capital stock if received within 60 days following the closing of the Transaction.

IV. Collateral: The obligations of the Borrower and each Guarantor shall be secured by perfected security interests in substantially all of their respective personal property assets (subject to customary and other exclusions and limitations TBD, including in respect of equity interests in foreign subsidiaries). The security interests securing the Revolving Credit Facility (and subsidiary guarantees thereof) in the Borrower's and Guarantors' contract payment rights, accounts receivable and other current or related assets, including contract rights (collectively "Revolver Priority Collateral") shall be first priority security interests (subject only to permitted encumbrances); provided that Revolver Priority Collateral may also include other assets to the extent required by the lenders under the Revolving Credit Facility to ensure that the all-in yield on loans funded under such facility does not exceed 5.75%per annum (the "ABL Structure"); *provided, further*, that the Revolving Credit Facility may be structured as a cash flow revolver with Revolver Priority Collateral to include all assets so long as the Borrower has used commercially reasonable efforts to consummate the Revolving Credit Facility pursuant to the ABL Structure. The security interests securing Term Loan A (and subsidiary guarantees thereof) shall be first priority security interests (subject only to permitted encumbrances) in all personal property assets other than Revolver Priority Collateral, and second-priority security interests (subject to permitted encumbrances) in Revolver Priority Collateral. The security interests securing Term Loan B (and subsidiary guarantees thereof) shall be second priority security interests (subject only to security interests securing Term Loan A and permitted encumbrances) in all personal property assets other than Revolver Priority Collateral, and third-priority security interests (subject to permitted encumbrances) in Revolver Priority Collateral.

On the Closing Date, the lenders under the New Credit Facilities (or their respective agents or other representatives) shall enter into an intercreditor agreement with the lenders under the Revolving Credit Facility and DIRECTV, LLC, in form and substance reasonably satisfactory to the lenders (or agents) and Colony, governing the relative priority of, and relative remedies in respect of, Liens in common collateral.

V. Documentation: The respective New Credit Facilities may be governed by separate definitive credit or loan agreements, all of which shall be consistent herewith (collectively, the "Credit Agreement"). The Credit Agreement will contain customary conditions precedent (including entry of a confirmation order in respect of the Plan), yield protection, indemnification and expense reimbursement, lender voting, and assignment and participation provisions (provided that (a) Loans acquired by Colony shall be subject to customary restrictions, including a 30% ownership cap and limited voting rights and (b) Loans acquired by the Borrower and its affiliates (other than Colony) shall be subject to additional restrictions, including (i) purchase made only pursuant to Dutch auction, (ii) minimum liquidity TBD, and (ii) no Loans outstanding under the Revolving Credit Facility), and it will contain representations and warranties, covenants and events of default as follows:

Representations and Warranties: The following representations and warranties:

- financial statements and condition; absence of undisclosed liabilities; no material adverse change;
- corporate existence; corporate power and authority; compliance with law;
- enforceability of credit documentation;
- no conflict with law or contractual obligations;
- corporate existence, domicile and capitalization of subsidiaries;
- no material litigation;
- ownership of property; liens;
- intellectual property;
- taxes;
- non-applicability of margin regulations; labor matters;
- ERISA and other regulatory matters;
- environmental matters;
- solvency; and
- creation and perfection of security interests.

Affirmative Covenants: The following affirmative covenants:

- delivery of financial statements, projections, and other information reasonably requested by lenders;
- maintenance of existence;
- compliance with laws;
- maintenance of property and insurance; maintenance of books and records; right of lenders to inspect books and records;
- notices of defaults, litigation and other material events;
- compliance with environmental laws;
- regulatory and legal matters; and
- further assurances with respect to security interests.

Financial Covenants: The following financial covenants (measured on a consolidated basis for the Borrower and its subsidiaries, *pro forma* for acquisitions and dispositions made during each four-quarter reference period):

- maximum leverage ratio total net debt/trailing four-quarter AOCF[1], tested each fiscal quarter-end commencing March 31, 2014
- minimum interest coverage ratio: trailing four-quarter AOCF/ trailing four-quarter cash interest expense, tested each fiscal quarter-end commencing March 31, 2014

Leverage and interest coverage ratio levels will be set with a 25.0% cushion to Colony's base case business plan.

Negative Covenants: The following negative covenants (as more fully set out in Annex B hereto):

- debt of the Borrower and its subsidiaries;
- liens;
- fundamental changes (mergers, consolidations, liquidations and dissolutions);
- sales of assets;
- restricted payments;
- capital expenditures;
- investments;
- optional prepayment of Subordinated Indebtedness; modification of documents governing Subordinated Indebtedness;

[1] "AOCF" is anticipated to be EBITDA as defined in the existing credit agreement adjusted to exclude the effect of restructuring and other charges related to the Transaction and other one-time charges.

- restrictions on subsidiary distributions; and
- transactions with affiliates.

Events of Default: The following events of default:

- Nonpayment of principal when due; nonpayment of interest, fees or other amounts after a grace period TBD;
- material inaccuracy of representations and warranties;
- violation of covenants (subject, in the case of affirmative covenants, to a grace period TBD);
- cross-default to other funded debt outstanding in a principal amount in excess of $15.0 million;
- bankruptcy and other insolvency events;
- certain ERISA events;
- material judgments not satisfied, stayed or bonded pending appeal; and
- actual or asserted invalidity or repudiation of subordination of Subordinated Indebtedness;
- actual or asserted invalidity or repudiation of (i) any guaranty by any material Subsidiary, or (ii) any material security document or security interest in material property; lack of perfection or priority of security interests in material property.

Equity Cure Rights: Borrower to have the right to cure financial default with contribution of equity at its election.

Governing law: New York.

ANNEX A

DEFINITIONS

"Available ECF Amount" means, on any date of determination, an aggregate cumulative amount equal to the amount of Excess Cash Flow for the period (treated as one accounting period) commencing on the Closing Date and ending at the end of the Borrower's fiscal year most recently ended prior to such date of determination that is not required to be applied to prepay the Loans in accordance with [the mandatory prepayment provisions in the Credit Agreement].

"ECF Percentage" means 50.0%.

"Excess Cash Flow" means for any fiscal year of the Borrower, the excess, if any, of (a) the sum, without duplication, of (i) consolidated net income for such fiscal year, (ii) the amount of all non-cash charges (including depreciation and amortization) deducted in computing such consolidated net income, (iii) decreases in consolidated working capital for such fiscal year, and (iv) the aggregate net amount of loss on disposition of property by the Borrower and its Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent deducted in computing such consolidated net income over (b) the sum, with duplication, of (i) the aggregate amount actually paid by the Borrower and its Subsidiaries in cash during such fiscal year on account of capital expenditures (excluding (x) any capital expenditures utilizing the Available ECF Amount, (y) the principal amount of Indebtedness incurred to finance such capital expenditures (but including repayments of any such indebtedness incurring during such period or any prior period) and (z) any such capital expenditures financed with the reinvested proceeds of any asset disposition), (ii) the aggregate net amount of gain on disposition of property by the Borrower and its Subsidiaries during such fiscal year (other than sales of inventory in the ordinary course of business), to the extent included in computing such consolidated net income, (iii) the aggregate amount of all optional and scheduled repayments or prepayments of Indebtedness during such fiscal year (in the case of revolving loans, to the extent of any permanent optional reductions of revolving commitments), (iv) increases in consolidated working capital for such fiscal year, and (v) the aggregate acquisition consideration paid by the Borrower and its Subsidiaries in cash during such fiscal year in connection with Permitted Acquisitions (excluding any amounts utilizing the Available ECF Amount).

"Indebtedness" of any Person means, at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all capital lease obligations of such Person, (f) all guarantee obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (e) above, and (g) all obligations of the kind referred to in clauses (a) through (f) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation. Anything to the contrary in the foregoing notwithstanding, the following shall not constitute Indebtedness: (1) accrued expenses and trade accounts payable arising in the ordinary

course of business and (2) any indebtedness that has been defeased in accordance with GAAP or defeased by deposit of cash (in an amount sufficient to satisfy all obligations relating thereto at maturity or redemption, as applicable, including all payments of interest and premium, if any thereon) in a trust or account created or pledged for the sole benefit of the holders of such indebtedness in accordance with the other applicable terms of the instrument governing such indebtedness.

"Lien" means any mortgage, pledge, hypothecation, assignment, lien (statutory or other), charge or other security interest or any preference, priority or other preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement).

"Loans" means, collectively, Term Loan A and Term Loan B, and "Loan" means any of them, as the context may require.

"Obligations" means, at any time, the outstanding principal amount of the Loans and accrued and unpaid interest thereon, and all fees, expense reimbursements, indemnities and other payment amounts that are then due and payable under the Credit Agreement or any other [Loan Document].

"Permitted Acquisition" means any acquisition, whether by purchase, merger or otherwise, of all or substantially all of the assets of, all of the capital stock of, or all or substantially all of the assets comprising a business line or unit or a division of, any Person; *provided* that: (a) immediately prior to, and after giving effect thereto, no Event of Default shall have occurred and be continuing or would result therefrom; (b) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable governmental authorizations; (c) in the case of the acquisition of capital stock, all of the capital stock (except for any such capital stock in the nature of directors' qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly-formed Subsidiary of the Borrower in connection with such acquisition shall be owned (or after giving effect to any earn-outs will be owned) 100% (other than directors qualifying shares) by the Borrower or a Subsidiary Guarantor, and the Borrower shall have taken, or caused to be taken, as of the date such Person becomes a Subsidiary of the Borrower, each of the actions set forth in Section [__][Further Assurances]; (d) the Borrower and its Subsidiaries shall be in compliance with the financial covenants set forth in Section [__] [Maximum Consolidated Leverage Ratio; Minimum Interest Coverage Ratio] on a *pro forma* basis after giving effect to such acquisition as if such acquisition had occurred on the first day of the most recently completed period of four consecutive fiscal quarters; and (e) the aggregate consideration for all such Permitted Acquisitions consummated after the Closing Date (exclusive of amounts paid in capital stock of the Borrower, but including all assumed debt) does not exceed $150.0 million.

"Permitted Refinancing Indebtedness" means with respect to any Indebtedness of the Borrower or any of its Subsidiaries, any indebtedness issued in exchange for, or the proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Borrower or any of its Subsidiaries; *provided* that: (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or

accreted value, if applicable) of the indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus the amount of all fees, expenses and premiums incurred in connection therewith); (b) such indebtedness has a weighted average life to maturity equal to or greater than the weighted average life to maturity of the indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (c) in the case of indebtedness issued in exchange for, or the proceeds of which are used to extend, refinance, renew, replace, defease or refund the Subordinated Debt, such indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the Lenders as to which such Subordinated Debt is subject; (d) such indebtedness is incurred either by the Borrower or by the Subsidiary who is the original obligor on the indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (e) such indebtedness shall not be secured by any assets other than the assets securing the indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"Permitted Senior Notes" means any senior notes issued by the Borrower in a Rule 144A transaction having customary market terms at the time issued; *provided* that (i) all of the net cash proceeds thereof are applied to the prepayment of the Term Loans on the date of receipt thereof, (ii) such notes mature in a single installment that is at least 90 days after the Term Loan B Maturity Date and are not subject to any mandatory redemption (other than (a) based on a change of control no earlier than 30 days following such change of control transaction subject to the prior prepayment in full of the Obligations and (b) pursuant to customary provisions in connection with asset sales as long as such provisions allow asset sale proceeds to be reinvested or to be applied to payment of other senior debt *pro rata* with such mandatory redemption, (iii) such notes are not subject to any financial maintenance covenants or other terms which are, taken as a whole, more restrictive in the aggregate than those set forth in the Credit Agreement, and do not prohibit or restrict the ability of the Borrower and its Subsidiaries to provide collateral security for and guarantees of the Obligations, (iv) such notes are unsecured or, if secured, are secured on a junior Lien or *pari passu* Lien basis only by property constituting Collateral pursuant to an intercreditor agreement reasonably satisfactory to the Administrative Agent to be entered into by the Administrative Agent and the trustee or representative of the holders of such notes.

"Subordinated Indebtedness" means any unsecured indebtedness of the Borrower, no part of the principal of which is required to be paid prior to the first anniversary of the Term Loan B Maturity Date, the payment of principal of and interest on which are subordinated to the prior payment in full of the Obligations on substantially the same terms as (or on terms more favorable to the Lenders than) those terms of subordination that are customary at the date of issue for unsecured subordinated notes issued in a Rule 144A transaction or pursuant to a registration statement filed under the Securities Act of 1933, as amended, and otherwise containing covenants substantially the same as (or covenants less restrictive than) those set forth in the Credit Agreement as in effect on the date of issuance of such Subordinated Indebtedness.

ANNEX B

RESTRICTIVE COVENANTS

1. Incurrence of Debt. The Borrower shall not, and shall not permit any of its Subsidiaries to, create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness or, in the case of any Subsidiary, issue any preferred stock, except

- Indebtedness of the Borrower or any of its Subsidiaries pursuant to any [Loan Document];
- Indebtedness incurred by the Borrower or any of its Subsidiaries in respect of the Revolving Credit Facility in an aggregate amount not to exceed $20.0 million at any time outstanding;
- Indebtedness (i) of the Borrower to any Subsidiary, (ii) of any Subsidiary to the Borrower or any Subsidiary Guarantor, and (iii) of any Foreign Subsidiary to any other Foreign Subsidiary, the Borrower or any Subsidiary;
- Guarantee obligations incurred by the Borrower or any of its Subsidiaries in respect of permitted Indebtedness or other obligations of the Borrower or any Subsidiary Guarantor, *provided* that if such permitted Indebtedness is Subordinated Indebtedness, such guarantee obligations are subordinated to the obligations of such Subsidiary Guarantor under the [subsidiary guaranty of the Borrower's Obligations under the Credit Agreement] to the same extent as the obligations of the Borrower in respect of such Subordinated Indebtedness are subordinated to the Obligations);
- Indebtedness outstanding on the Closing Date and any Permitted Refinancing Indebtedness in respect thereof;
- Indebtedness (including, without limitation, capital lease obligations) secured by Liens permitted by Section [__][Asset Purchase Money Liens] in an aggregate principal amount not to exceed $20.0 million at any one time outstanding;
- Indebtedness of a Person that becomes a Subsidiary, or Indebtedness assumed by the Borrower or a Subsidiary in connection with an acquisition of assets by the Borrower or any of its Subsidiaries, in any case in connection with a Permitted Acquisition, *provided* that (i) the aggregate principal amount of all such Indebtedness does not exceed $25.0 million at any time outstanding, (ii) such Indebtedness existed at the time such Person became a Subsidiary or at the time such assets were acquired and, in any case, was not created in anticipation thereof and (iii) such Indebtedness is not guaranteed by the Borrower or any Subsidiary (other than by any such Person that so becomes a Subsidiary and existing Subsidiaries of such Person), and any Permitted Refinancing Indebtedness in respect thereof;

- Indebtedness in respect of performance bonds, bid bonds, appeal bonds, bankers acceptances, letters of credit, surety bonds or other similar obligations arising in the ordinary course of business;

- Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business;

- the incurrence by the Borrower or any Subsidiary of contingent obligations in respect of purchase price adjustments or indemnification obligations set forth in agreements providing for the Permitted Acquisition or disposition of any asset of the Borrower or such Subsidiary so long as all such contingent obligations are discharged within 90 days after the date the amount thereof becomes absolute or liquidated and the Permitted Acquisition or asset disposition otherwise is not prohibited by the Credit Agreement;

- Subordinated Indebtedness of the Borrower in an aggregate principal amount not to exceed $150.0 million at any time outstanding, so long as, (i) at the time of incurrence thereof, no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) immediately after giving effect to the incurrence thereof, the Borrower is in *pro forma* compliance with the financial covenants set forth in Section [__][Maximum Consolidated Leverage Ratio; Minimum Interest Coverage Ratio] as of the last day of the fiscal quarter most recently ended for which financial statements have been delivered pursuant to Section [__][Financial Reporting];

- Indebtedness of the Borrower in respect of Permitted Senior Notes; and

- Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount not to exceed $25.0 million at any one time outstanding.

2. Liens. The Borrower shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except for:

- Liens securing Indebtedness of the Borrower or any Subsidiary incurred pursuant to the [Loan Documents];

- Liens securing Indebtedness of the Borrower or any Subsidiary incurred pursuant to Section [__][Revolving Credit Facility Indebtedness;

- Liens for taxes, assessments or governmental charges or claims not yet due or that are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, in conformity with GAAP;

- carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business;

- pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

- Liens or deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations;

- Liens in favor of DIRECTV, LLC and its affiliates securing obligations arising in connection with provision of television services and equipment pursuant to the [reference definitive DIRECTV agreement], as such agreement may be amended or otherwise modified or extended, renewed or replaced so long as any such amendment, modification, extension, renewal or replacement (i) does not extend the Liens arising thereunder to property of the Borrower or a Guarantor of a type theretofore not subject to such Liens or (ii) is not materially adverse to the interests of the [Lenders];

- performance bonds, bid bonds, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

- easements, rights-of-way, restrictions, zoning restrictions, covenants, conditions, encroachments and minor defects or irregularities in title and other similar encumbrances;

- Liens existing on the Closing Date and, to the extent such Liens secure Indebtedness permitted under Section [__][Existing Indebtedness], Liens securing Permitted Refinancing Indebtedness in respect thereof;

- Liens securing Indebtedness of the Borrower or any Subsidiary incurred pursuant to Section [__][Asset Purchase Money Indebtedness] to finance the acquisition of fixed or capital assets, *provided* that (i) such Liens shall be created substantially concurrently with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness and (iii) the amount of Indebtedness secured thereby is not increased;

- Liens created pursuant to the [Loan Documents];

- Liens securing Indebtedness of the Borrower or any Subsidiary incurred pursuant to Section [__][Acquired Indebtedness];

- Liens securing Indebtedness of the Borrower or any Subsidiary Guarantor incurred pursuant to Section [__] [Senior Note Indebtedness], *provided* that such Liens are *pari passu* with or subordinated in Lien priority to the Liens created by the Loan Documents and are subject to the terms of the Intercreditor Agreement;

- any interest or title of a lessor under any lease entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased;

- any attachment or judgment Lien not constituting an Event of Default;

- non-exclusive licenses of intellectual property granted by the Borrower or any of its Subsidiaries;

- bankers Lien's and rights of set off arising by operation of law;

- Liens that may be deemed to exist by virtue of contractual provisions that restrict the ability of the Borrower or any of its Subsidiaries from granting or permitting to exist Liens on their respective assets;

- Liens on cash relating to escrows established for an adjustment in purchase price or liabilities or indemnities for asset sales, to the extent such asset sales are permitted hereby and such Liens do not secure Indebtedness for borrowed money; and

- Preferential arrangements that may be deemed to exist as a result of the subordination of claims among the Borrower and its Subsidiaries.

3. Fundamental Changes: The Borrower shall not, and shall not permit any of its Subsidiaries to, enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or dispose of, all or substantially all of its property or business, except that:

- any Subsidiary of the Borrower may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into any Subsidiary Guarantor (provided that the Subsidiary Guarantor shall be the continuing or surviving corporation); and any Foreign Subsidiary of the Borrower may be merged or consolidated with or into any other Foreign Subsidiary of the Borrower;

- any Subsidiary of the Borrower may dispose of any or all of its assets (upon voluntary liquidation, dissolution or otherwise) to the Borrower or any Subsidiary Guarantor;

- any Subsidiary may merge with another Person to effect a transaction permitted under Section [__][Investments];

- transactions permitted under Section [__][Asset Sales] shall be permitted; and

- any Subsidiary that is not a Subsidiary Guarantor may be liquidated, wound up or dissolved, provided that immediately thereafter all of the assets of such Subsidiary are distributed to the holders of its Capital Stock on a *pro rata* basis.

4. Asset Sales. The Borrower shall not, and shall not permit any of its Subsidiaries to, sell or otherwise dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary, issue or sell any shares of such Subsidiary's capital stock to any Person, except:

- the sale or other disposition of obsolete, worn out or surplus property or property that is no longer used or useful in the business of the Borrower and its Subsidiaries;
- the sale of inventory in the ordinary course of business;
- the sale or other disposition of property permitted by Section [__][Fundamental Changes];
- the sale or issuance of any Subsidiary's capital stock to the Borrower or any Subsidiary Guarantor;
- the sale or lease of equipment systems in the ordinary course of the Borrower's business;
- the sale or other disposition of equipment removed from hotel rooms in the ordinary course of business upon expiration of contract or renewals or upgrades thereof;
- the non-exclusive licensing of intellectual property;
- leases or subleases of property which do not interfere materially with the ordinary conduct of business of the Borrower or its Subsidiaries;
- the sale, discount or other compromise for less than the face value thereof of notes or accounts receivable to settle disputes with the maker or account debtor thereof;
- the sale or other disposition of property from the Borrower to any Subsidiary Guarantor, and from a Subsidiary to the Borrower or a Subsidiary Guarantor;
- issuance and sale or disposition by any Subsidiary of its shares of Capital Stock to directors or members of a governing body similar to a board of directors in order to qualify such directors or members to serve as such under applicable law; and
- the sale or other disposition of other property having a fair market value not to exceed $20.0 million in the aggregate in any fiscal year of the Borrower.

5. Restricted Payments. The Borrower shall not, and shall not permit any of its Subsidiaries to, declare or pay any dividend (other than dividends payable solely in common stock of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any capital stock of the Borrower or such Subsidiary, or make any other

distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower or any Subsidiary (collectively, "Restricted Payments "), except that:

- any Subsidiary may make Restricted Payments to the holders of its capital stock on a *pro rata* basis;

- the Borrower may make Restricted Payments in an aggregate amount up to $10.0 million in each fiscal year (*plus* any portions of such amount not utilized in prior fiscal years ended after the Closing Date), so long as (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) after giving effect thereto there are no Loans outstanding under the Revolving Credit Facility;

- the Borrower may make Restricted Payments in an aggregate amount up to the then Available ECF Amount (less any portion thereof theretofore utilized pursuant to Section [__][Capital Expenditures] or [__][Investments]), so long as no Default or Event of Default has occurred and is continuing or would result therefrom;

- the Borrower may repurchase, redeem or otherwise acquire or retire for value any capital stock of the Borrower or its Subsidiaries held by employees, consultants or directors of the Borrower or any of its Subsidiaries pursuant to any employee equity subscription agreement, stock option agreement or stock ownership arrangement; *provided* that (i) the aggregate price paid for all such repurchased, redeemed, acquired or retired capital stock shall not exceed $5.0 million in any twelve-month period plus the aggregate cash proceeds received by the Borrower during such twelve-month period from any reissuance of capital stock of the Borrower and its Subsidiaries to employees, consultants or directors of the Borrower or its Subsidiaries and (ii) no Event of Default shall have occurred and be continuing or would result therefrom; *provided*, *further*, that this clause shall not prohibit any transaction within 60 days of the making of any binding commitment in respect of any such transaction if at the date of commitment no Event of Default shall have occurred and then be continuing or would result therefrom;

- the repurchase, redemption or other acquisition or retirement of capital stock deemed to occur upon the exercise or exchange of stock options, warrants or other similar rights to the extent such capital stock represents a portion of the exercise or exchange price of those stock options, and the repurchase, redemption or other acquisition or retirement of capital stock made in lieu of withholding taxes resulting from the exercise or exchange of stock options, warrants or other similar rights or from the vesting of restricted stock, restricted stock units or similar rights;

- the Borrower or any of its Subsidiaries may subscribe for the purchase of the capital stock of a Person newly organized by the Borrower or a Subsidiary, so long as immediately after giving effect to any such purchase, such Person is a Subsidiary Guarantor hereunder; and

- the Borrower may pay dividends in cash at a rate per annum not in excess of 10.0% on any capital stock issued by the Borrower after the Closing Date if 50.0% of the net cash

proceeds of such capital stock were applied to prepay Term Loans in accordance with Section [__][Mandatory Prepayments of Term Loans/equity issuance proceeds], in each case so long as no Default or Event of Default has occurred and is continuing or would result therefrom.

6. Capital Expenditures. The Borrower shall not, and shall not permit any of its Subsidiaries to, make or commit to make any capital expenditure, except:

- Capital expenditures of the Borrower and its Subsidiaries in the ordinary course of business not exceeding $30.0 million in each fiscal year; *provided* that 75% of the amount of capital expenditures permitted under this clause in any fiscal year that is not expended may be carried over for expenditure in the next succeeding fiscal year; and

- Capital expenditures in an aggregate amount up to the then Available ECF Amount (less any portion thereof theretofore utilized pursuant to Section [__][Restricted Payments] or [__][Investments], so long as no Event of Default has occurred and is continuing or would result therefrom.

7. Investments. The Borrower shall not, and shall not permit any of its Subsidiaries to, make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any capital stock, bonds, notes, debentures or other debt securities of, or any substantially all of the assets constituting a business unit of, any Person (all of the foregoing, "Investments"), except:

- extensions of trade credit and endorsements of negotiable instruments and other negotiable documents, in each case in the ordinary course of business;

- Investments in cash equivalents;

- Guarantee obligations permitted by Section [__][Incurrence of Debt];

- loans and advances to employees of the Borrower or any Subsidiary in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount not to exceed $5.0 million at any one time outstanding;

- intercompany Investments in the Borrower or any Person that, prior to such Investment, is a Subsidiary Guarantor;

- obligations of one or more directors, officers or other employees of the Borrower or any Subsidiary in connection with such directors', officers' or employees' acquisition of shares of the Borrower's common stock, so long as no cash is actually advanced by the Borrower or any of its Subsidiaries to such directors, officers or employees in connection with the acquisition of any such obligations;

- Investments by the Borrower or any of its Subsidiaries in an aggregate amount up to the then Available ECF Amount (less any portion thereof theretofore utilized pursuant to Section[__][Restricted Payments] or [__][Capital Expenditures]), so long as no Event of Default has occurred and is continuing or would result therefrom;

- Permitted Acquisitions;

- Restricted Payments to the extent permitted by Section [__][Restricted Payments];

- promissory notes and other non-cash consideration received by the Borrower and its Subsidiaries sales or other disposition of assets not prohibited by Section [__][Asset Sales];

- Investments received in compromise or settlement of claims against any other Person arising in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any Person;

- Investments related to hedge agreements that are not prohibited by the Credit Agreement;

- Investments by the Borrower or any of its Subsidiaries in an aggregate amount (valued at cost) outstanding at any time not to exceed $25.0 million.

8. Optional Prepayment of Subordinated Indebtedness; Modification of Documents Governing Subordinated Indebtedness. The Borrower shall not, and shall not permit any of its Subsidiaries to, (a) make or offer to make any optional or voluntary payment, prepayment, repurchase or redemption of or otherwise optionally or voluntarily defease or segregate funds with respect to any Subordinated Indebtedness or any Permitted Refinancing Indebtedness in respect thereof; or (b) amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any agreement or instrument governing any Subordinated Indebtedness or any Permitted Refinancing Indebtedness in respect thereof in any manner that is adverse to the interests of the [Lenders].

9. Restrictions on Subsidiary Dividends. The Borrower shall not, and shall not permit any of its Subsidiaries to, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary of the Borrower to (a) make Restricted Payments in respect of any capital stock of such Subsidiary held by, or pay any Indebtedness owed to, the Borrower or any other Subsidiary of the Borrower, (b) make loans or advances to, or other Investments in, the Borrower or any other Subsidiary of the Borrower or (c) transfer any of its assets to the Borrower or any other Subsidiary of the Borrower, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the [Loan Documents] and (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with the disposition of all or substantially all of the capital stock or assets of such Subsidiary. The foregoing shall not apply to: (i) restrictions in effect on the Closing Date, and any amendment or modification or extension, renewal or replacement thereof so long as any such amendment, modification, extension, renewal or replacement is not more restrictive than such restriction in effect on the

Closing Date, (ii) any agreement or instrument binding upon a Person acquired in connection with an acquisition permitted hereby as such agreement or instrument is in effect at the time of such acquisition (except to the extent such agreement or instrument was entered into in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired, and (iii) customary anti-assignment, subletting and transfer provisions in leases and licenses and other contracts entered into in the ordinary course of business.

10. Affiliate Transactions. The Borrower shall not, and shall not permit any of its Subsidiaries to, enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than the Borrower or any Subsidiary Guarantor) unless such transaction is (a) not otherwise prohibited by the Credit Agreement, and (b) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate; *provided* that the foregoing restriction shall not prohibit (i) payment of reasonable fees to directors of the Borrower and its Subsidiaries, (ii) any employment agreement, employee benefit plan, agreement or plan relating to director, employee or officer compensation, officer or director indemnification agreement or any similar arrangement entered into by the Borrower or any of its Subsidiaries existing on the Closing Date or entered into thereafter in the ordinary course of business and (iv) any permitted Investments and Restricted Payments that are not prohibited by the Credit Agreement.

ANNEX C

LIQUIDITY ADJUSTMENT TO INTEREST ACCRUAL

On the date of the Confirmation Hearing in the Bankruptcy Case, LodgeNet Interactive Corporation (the "Borrower") shall deliver to Purchaser and the Agent a schedule detailing its estimated Liquidity (as defined below) as of the Closing Date (the "Estimated Liquidity"). Furthermore, the Borrower shall deliver to Purchaser and the Agent a schedule detailing its actual Liquidity as of the Closing Date, not more than 60 days following the Closing Date (the "Actual Liquidity").

The schedules of Estimated Liquidity and Actual Liquidity are to be prepared by the Borrower in good faith and in accordance with the methodologies used in the preparation of the Borrower's consolidated interim financial statements and in accordance with GAAP, as applied by the Borrower in the preparation of the Financial Statements (as defined in the Investment Agreement) (including with respect to its policies, practices, methodologies, estimation techniques and formulas).

The schedules of Estimated Liquidity and Actual Liquidity are to be prepared by and certified to by the Chief Financial Officer of the Borrower as having been prepared in accordance with the requirements set forth above. The FTI professionals, in their capacity as Strategic Planning Officer of the Company, will certify that (a) they have reviewed the certification of Estimated Liquidity prepared by the Chief Financial Officer of the Company and such supporting information as the Company has provided and (b) solely on the basis of such review, the Strategic Planning Officer has no reason to believe that the certification is unreasonable. The information contained in the determination of Estimated Liquidity has not been audited by independent auditors, nor has FTI conducted any independent verification of the certification of Estimated Liquidity. Accordingly, the FTI professionals cannot express an opinion or any other form of assurance on, and assume no other responsibility for, the accuracy or correctness of the Chief Financial Officer's certification.

Purchaser Termination Right

In the event the Estimated Liquidity is less than Benchmark Liquidity (as defined below), Colony shall not be required to consummate the Transaction and shall have the right to terminate the Investment Agreement.

Liquidity Adjustment

For every One Dollar ($1) that Actual Liquidity is less than Benchmark Liquidity, there will be a corresponding deduction of One Dollar ($1) in the amount of interest due and payable by the Borrower to the lenders under the New Credit Facilities (the "Interest Deduction"); *provided* that on each interest payment date, the Borrower shall pay in cash

accrued interest at a rate not less than 1.00% *per annum*; *provided, further*, that the aggregate Interest Deduction shall not exceed $25,000,000.

The Interest Deduction shall be applied against interest that otherwise would accrue and be payable on the first interest payment date to occur under the New Credit Facilities on or following the 75th day after the Closing Date, with any excess amount to be applied sequentially to interest that otherwise would accrue and be payable on subsequent interest payment dates.

Calculation

Liquidity shall be calculated as follows ("Liquidity"): without duplication, (a) Cash on the Borrower's balance sheet on the Closing Date immediately prior to the Closing, *plus* (b) Quick Working Capital (whether negative or positive); *provided* that for the purposes of calculating Quick Working Capital, (i) accounts receivable shall exclude amounts owed to the Borrower's foreign subsidiaries and amounts owed to the Borrower on behalf of foreign operations and amounts owed from DirectTV (the "DirecTV Receivable"), and (ii) accounts payable shall exclude (A) any amount owing to DirecTV prior to the Petition Date and (B) the first $2.5 million of amounts owed by the Borrower's foreign subsidiaries and amounts owed by the Borrower on behalf of foreign operations, *less* (c) Undisclosed Liabilities, *less* (d) Chapter 11 Exit Costs, *less* (e) any Capital Expenditure Shortfall, *plus* (f) any professional fees incurred by Purchaser and reimbursed by the Borrower from and after October 25, 2012 in excess of $500,000.

Definitions

"Benchmark Liquidity" means the "Liquidity" dollar amount forecast total set forth on Schedule A hereto for the week in which the Closing occurs, less, for purposes of the Purchaser's termination right only, $12,800,000.

"Quick Working Capital" means the Borrower's accounts receivable (net of any allowance for bad debt) less post-petition accounts payable as of the Closing, as adjusted pursuant to the "Calculation" paragraph of this Annex C; it being understood that all pre-petition accounts payable as of the Closing (other than $29 million of amounts owed to DirecTV) are included in Chapter 11 Exit Costs.

"Undisclosed Liabilities" means the liabilities of the Borrower existing (as reasonably estimated by the Borrower , subject to approval by Purchaser, not to be unreasonably withheld) as of the Closing (including those first disclosed to or discovered by Purchaser after the Closing Date and at or before the final determination of Actual Liquidity), whether or not required to be shown as a liability on a balance sheet of the Borrower prepared as of the Closing Date in accordance with GAAP, other than (a) accounts payable, (b) Chapter 11 Exit Costs, or (c) Liabilities disclosed or not required to be disclosed in the Investment Agreement or incurred after the date of the Investment Agreement and not in violation thereof, including rejection damages in connection therewith.

"Chapter 11 Exit Costs" means: (a) all amounts due and owing with respect to the DIP financing as of the Closing (other than any pre-petition amount to be rolled into the DIP financing in conformity with the Debt Term Sheet), (b) all the following amounts as of the Closing (regardless of when payable): (i) priority and administrative expense claims, (ii) prepetition

unsecured claims payable in cash (other than rejection damages and amounts owing to DirecTV)[2], (iii) professional fees and expenses in connection with the Bankruptcy Case (net of any outstanding retainer amounts previously paid by the Borrower), (iv) key employee incentive payment ("KEIP") and key employee retention plan ("KERP") amounts and, for purposes of the Interest Deduction only, any other severance, change of control or other extraordinary costs, fees and expenses payable with respect to any officer, director or employee of the Borrower with respect to individuals indentified by the Purchaser prior to the 60th day following the Closing, (v) all fees and costs of the Bankruptcy Court or the US trustee or any governmental authority in connection with the Bankruptcy Case and any other expenses or liabilities the Borrower incurs in connection with the consummation of the Plan, (c) the Purchaser's reasonable estimate with respect to any professional fees and expenses in connection with the Bankruptcy Case that are expected to be incurred in the 90 days following the Closing Date, (d) the aggregate amount of cure costs (based on the Borrower's good faith estimate and the approval of the Purchaser, not to be unreasonably withheld) payable in connection with any assumed contracts; and (e) any amounts actually collected in respect of the DirecTV Receivable; and (f) any amounts owing to DirecTV prior to the Petition Date in excess of $29 million; *provided* that Chapter 11 Exit Costs shall not include any account payable to the extent included as an account payable in the calculation of Quick Working Capital.

"Capital Expenditure Shortfall" means any excess, to the extent a positive number, of (a) the agreed and scheduled aggregate amount of expected cash capital expenditures (excluding all internal capitalized labor costs, including capitalized development, production, and installation, together "Capitalized Development Costs") during the period commencing December 14, 2012 and ending on last day of the week in which the Closing Date occurs, as set forth as "Projected Cumulative Capital Expenditures" on Schedule B hereto, minus (b) the actual amount of such cash capital expenditures (excluding Capitalized Development Costs) during the period commencing December 14, 2012 and ending on the Closing Date. For the avoidance of doubt, capital expenditures shall exclude for sale inventory expected to be or actually incurred in the applicable period.

[2] This will specifically exclude any prepetition amount owing to DirecTV. Pursuant to Section 7(c) of the Memorandum of Understanding dated December 6, 2012 between Colony and DirecTV, the Borrower will pay its prepetition amount owing to DirecTV in five equal installments on the last day of each quarterly period commencing on the 90th day following the Closing Date.

Schedule A to Annex C

Week Ending	Liquidity Benchmark
February 1, 2013	$736,603
February 8, 2013	$651,563
February 15, 2013	$(3,376,476)
February 22, 2013	$(3,961,515)
March 1, 2013	$(1,552,161)
March 8, 2013	$(3,893,200)
March 15, 2013	$(7,375,240)
March 22, 2013	$(9,516,279)
March 29, 2013	$(6,462,231)
April 5, 2013	$(6,705,502)
April 12, 2013	$(9,184,774)
April 19, 2013	$(10,927,046)
April 26, 2013	$(9,875,318)
May 3, 2013	$(9,718,252)
May 10, 2013	$(10,696,274)
May 17, 2013	$(15,238,296)
May 24, 2013	$(16,816,318)
May 31, 2013	$(14,989,231)
June 7, 2013	$(15,467,252)
June 14, 2013	$(18,740,274)
June 21, 2013	$(20,318,296)
June 28, 2013	$(18,691,231)

Schedule B to Annex C

Week Ending	Cumulative Cash Capital Expenditures (excluding For Sale Inventory)
December 14, 2012	$430,000
December 21, 2012	$860,000
December 28, 2012	$1,290,000
January 4, 2012	$1,970,000
January 11, 2012	$2,480,000
January 18, 2012	$2,990,000
January 25, 2012	$3,500,000
February 1, 2013	$4,010,000
February 8, 2013	$4,520,000
February 15, 2013	$5,030,000
February 22, 2013	$5,540,000
March 1, 2013	$6,050,000
March 8, 2013	$6,560,000
March 15, 2013	$7,070,000
March 22, 2013	$7,580,000
March 29, 2013	$8,090,000
April 5, 2013	$8,600,000
April 12, 2013	$9,110,000
April 19, 2013	$9,620,000
April 26, 2013	$10,130,000
May 3, 2013	$10,810,000
May 10, 2013	$11,490,000
May 17, 2013	$12,170,000

May 24, 2013	$12,850,000
May 31, 2013	$13,530,000
June 7, 2013	$14,210,000
June 14, 2013	$14,890,000
June 21, 2013	$15,570,000
June 28, 2013	$16,250,000

Exhibit B

Investment Agreement

EXECUTION COPY

INVESTMENT AGREEMENT

BY AND AMONG

LODGENET INTERACTIVE CORPORATION,

COL-L ACQUISITION, LLC,

PAR INVESTMENT PARTNERS, L.P.,

THE OTHER PURCHASERS SIGNATORY HERETO

AND

COLONY CAPITAL, LLC

(SOLELY FOR THE PURPOSES OF SECTIONS 6.2 AND 8.9)

Dated as of December 30, 2012

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INVESTMENT AGREEMENT

INVESTMENT AGREEMENT, dated as of December 30, 2012 (as amended from time to time in accordance with its terms, this "Agreement"), by and among LodgeNet Interactive Corporation, a Delaware corporation (the "Company"), Col-L Acquisition, LLC, a Delaware limited liability company ("Col-L Acquisition" or "Purchaser Representative"), PAR Investment Partners, L.P. ("PAR Investment Partners"), , the other Purchasers signatory hereto (such Purchasers, together with PAR Investment Partners and Col-L Acquisition, each a "Purchaser" and collectively, "Purchasers") and Colony Capital, LLC, a Delaware limited liability company ("CCL"), in the case of CCL, solely for the purposes of Sections 6.2 and 8.9. The Company, CCL and Purchasers are sometimes herein referred to collectively as the "Parties" and individually as a "Party;" it being understood that any Purchaser Designee (as defined below) which signs a Joinder Agreement shall also be deemed to be a Party following the execution of such Joinder Agreement.

W I T N E S S E T H:

WHEREAS, following the execution of this Agreement, as more specifically set forth herein, the Company and certain of its Subsidiaries set forth on Schedule A (the "Debtors") shall (a) commence a solicitation for acceptance of a plan of reorganization, in the form attached hereto as Exhibit A (with such changes, including any Plan Supplements filed with the Bankruptcy Court relating to such plan of reorganization, as Purchaser Representative shall agree (the "Plan")), pursuant to the disclosure statement prepared by the Debtors in form and substance agreed to by Purchaser Representative (the "Disclosure Statement") and (b) file voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") (the date of such filing, the "Petition Date"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") (the case filed with the Bankruptcy Court, the "Bankruptcy Case");

WHEREAS, the Company, the Subsidiary Debtors and those certain consenting lenders signatories thereto have entered into a Plan Support Agreement, dated of even date herewith (the "Plan Support Agreement"), pursuant to which such lenders have agreed, among other things, to enter into the New Credit Agreement, support the Plan and the Transactions (as defined below), not to solicit any plan in opposition to the Plan and otherwise not to effect any transactions that would adversely affect the consummation of the Transactions;

WHEREAS, in consideration of Col-L Acquisition incurring significant costs and expenses and proceeding to execute this Agreement in advance of the filing of the Debtors' voluntary petitions, in each case for the benefit of the Debtors, and as a condition thereto, the Company has paid to Col-L Acquisition in cash on the date hereof an aggregate amount equal to One Million Five Hundred Eighty-Five Thousand Dollars ($1,585,000) (the "Signing Date Expense Amount") representing partial reimbursement of Col-L Acquisition's advisory expenses to date and a retainer (on behalf of Col-L Acquisition) with respect to such advisory expenses;

WHEREAS, to induce Col-L Acquisition to enter into this Agreement, the Company has paid to Col-L Acquisition in cash on the date hereof a commitment fee equal to Two Million Five Hundred Thousand Dollars ($2,500,000) (the "Commitment Fee") and has agreed to reimburse fees and expenses of Col-L Acquisition as more specifically provided herein;

WHEREAS, the Signing Date Expense Amount and the Commitment Fee are both non-refundable and fully earned by Col-L Acquisition upon its execution and delivery of this Agreement, and the Company has no further legal or beneficial right, title and interest therein, without limiting Purchasers' and the Purchaser Designee's obligations under Section 4.4;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that this Agreement, the Commitment Fee, the Signing Date Expense Amount, the Plan and the related agreements and the Transactions are advisable and in the best interests of the Company and its constituents;

WHEREAS, the Board has made inapplicable to Purchasers and any Purchaser Designee or any holder of the Warrants, the Rights Agreement dated as of February 28, 2008 between the Company and Computershare Investor Services, LLC, as amended;

WHEREAS, pursuant to this Agreement and the Plan, and upon consummation of the Transactions, (a) all of the Old Equity (and any rights to acquire any other equity interests in the Company including, without limitation, all options, warrants and employee incentive plans with respect thereto) shall be discharged, canceled, or otherwise terminated and (b) the Company shall issue (i) to Purchasers and/or Purchaser Designee(s) shares of Common Stock of the Company (the "Common Stock"), representing one hundred percent (100%) of the issued and outstanding shares of Common Stock of the Company as of the Closing Date, and (ii) to those Persons designated on Schedule C attached hereto, Warrants to purchase shares of Common Stock in the amount set forth thereon opposite such persons name;

WHEREAS, pursuant to this Agreement, CCL has agreed to guarantee the obligation of Col-L Acquisition to pay its Pro Rata Share of the Base Purchase Price (which guaranty, for the avoidance of doubt, shall not guarantee payment of the portion of the Base Purchase Price payable by any other Purchaser or the Designee Purchase Price Amount of any Purchaser Designee), upon satisfaction of the conditions set forth in ARTICLE X , on the terms and subject to the conditions set forth herein;

WHEREAS, the Company desires to issue and sell to Purchasers and the Purchaser Designees, and Purchasers and the Purchaser Designees desire to purchase from the Company, the Common Stock, all as more specifically set forth herein;

WHEREAS, certain terms used in this Agreement are defined in Section 1.1; and

WHEREAS, the Parties acknowledge that consummation of the Transactions are subject to approval of the Bankruptcy Court and the entry of the Confirmation Order.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions.

(a) For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Acquisition Proposal" shall mean an inquiry, proposal or offer for (i) any merger, consolidation, share exchange, recapitalization, reorganization, business combination or similar transaction involving the Company or any of its Subsidiaries; (ii) any sale, lease, exchange, license, mortgage, transfer or other disposition, in a single transaction or series of related transactions, of assets representing all, substantially all or any material portion of the assets of the Company and its Subsidiaries, individually or taken as a whole; (iii) the sale of equity interests representing, individually or in the aggregate, ten percent (10%) or more of the voting power of the Company, including any "credit bid" or other transaction that would have the effect of issuing to any holder of equity in the Company or creditor equity in the Company or any successor to it or any of its Subsidiaries ; or (iv) any transaction or series of transactions which requires as a term or condition of such transaction (or as a practical consequence thereof), the termination of this Agreement and the Transactions; in each case, other than the Transactions.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to (i) vote securities having more than fifty percent (50%) of the ordinary voting power for the election of directors or Persons with similar powers and duties, or (ii) direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by Contract or otherwise.

"Base Purchase Price" means an amount equal to Fifty Million Dollars ($50,000,000).

"Business" means the business of the Company and its Subsidiaries.

"Business Day" means any day of the year on which national banking institutions in New York City are open to the public for conducting business and are not required or authorized by Law or executive order to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confirmation Order" means the confirmation order of the Bankruptcy Court attached as Exhibit B hereto, (i) confirming the Plan attached as Exhibit A hereto, with only such changes as are approved by the Purchaser Representative, and (ii) approving and authorizing the Company to consummate the Transactions.

"Contract" means any contract, agreement, license, mortgage, indenture, note, bond, lease, commitment, understanding or other binding agreement, whether written or oral.

"Credit Agreement" means the Credit Agreement by and among the Company, several lenders from time to time parties thereto, Credit Suisse Securities (USA) LLC, as syndication agent, U.S. Bank National Association, as documentation agent, and Gleacher Products Corp. (as successor to JP Morgan Chase Bank, N. A., as successor to Bear Stearns Corporate Lending Inc.), as administrative agent, dated as of April 4, 2007, as amended by the First Amendment to the Credit Agreement, dated March 22, 2011 and further amended by the Forbearance Agreement and Second Amendment to Credit Agreement, dated October 15, 2012.

"Debt Term Sheet" means that certain LodgeNet Debt Restructuring Term Sheet, dated as of December 30, 2012, providing for the restructuring of the Company's Credit Agreement.

"Employees" means all individuals, as of the date hereof, whether or not actively at work as of the date hereof, who are employed by the Company or any of its Subsidiaries, together with individuals who are hired after the date hereof and prior to the Closing.

"Environmental Law" means any foreign, federal, state or local Law, license, permit, order, decree or injunction, legal doctrine, or judgment, or requirement or agreement with any Governmental Body currently in effect relating to (i) the protection of human health and safety; (ii) the protection, preservation or restoration of the environment or natural resources (including air, water, soil, vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, plant and animal life or any other natural resources) or (iii) exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling, production, release or disposal of Hazardous Substances, in each case as amended from time to time, including, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. App. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), and the regulations promulgated pursuant thereto.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the applicable regulations promulgated thereunder.

"Excluded Matter" means any one or more of the following: (i) the effect of any change in the United States or foreign economies or securities or financial markets in general; (ii) the effect of any change that generally affects any industry in which the Company or any of its Subsidiaries operates; (iii) the effect of any change arising in connection with earthquakes, hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; (iv) any matter known to the actual knowledge of executive officers of the managing member of Purchaser Representative on the date hereof; (v) any matter disclosed on the applicable Schedules; (vi) the effect of any changes in applicable Laws or accounting rules; (vii) any effect resulting from the public announcement of this Agreement, compliance with terms of this Agreement or the consummation of the Transactions; or (viii) any effect resulting from the filing of the Bankruptcy Case and reasonably anticipated effects thereof; provided, however, that such matters in the case of clause (i) - (iii) shall not be an Excluded Matter to the extent of any disproportionate impact on the Company and its Subsidiaries, taken as a whole, relative to other companies in the industry in which the Company or any of its Subsidiaries operates.

"Fundamental Agreement" means this Agreement and the Plan.

"GAAP" means generally accepted accounting principles in the United States as of the date hereof.

"Governmental Body" means any government or governmental authority or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency or commission, instrumentality or authority thereof, or any court or arbitrator (public or private) or other legislative, executive or judicial governmental entity, including any self-regulatory organization.

"Hazardous Material" means any and all materials (including substances, chemicals, compounds, mixtures, wastes, pollutants and contaminants) (i) to the extent such materials are prohibited, limited or regulated by the Environmental Laws as "hazardous" or "toxic"; or (ii) petroleum products and their derivatives polychlorinated biphenyl, asbestos or asbestos containing material, chemical, pollutant, contaminant, pesticide, radioactive substance, or other toxic material or other material or substance regulated under Environmental Laws.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indebtedness" of any Person means, without duplication: (i) the principal of and premium (if any) in respect of (A) indebtedness of such Person for money borrowed, whether secured or unsecured and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is

responsible or liable; (ii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable and other accrued current liabilities arising in the Ordinary Course of Business which are no more than ninety (90) days overdue or are being contested in good faith); (iii) all obligations of such Person under any lease of (or other arrangements conveying the right to use) real or personal property, or a combination thereof, which liabilities are leases required to be classified and accounted for in accordance with GAAP as capital leases; (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (v) obligations under derivative Contracts (valued at the termination value thereof), including any interest rate agreements and currency agreements; (vi) any Liability under any deferred compensation plans, severance plans, bonus plans, employment agreements, or any other plan, agreement or arrangement with any Person, which Liability is payable, or becomes due, as a result of the Transactions; (vii) all obligations of the type referred to in clauses (i) through (vi) of any other Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (viii) all obligations of the type referred to in clauses (i) through (vii) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person).

"Infringe" means, with respect to any Intellectual Property, to infringe or misappropriate such Intellectual Property in a manner that violates applicable Law or the legal rights of the owner thereof, or to dilute (as defined under applicable Law) the legal rights of the owner thereof in violation of applicable Law. The terms "Infringes" and "Infringing" shall have correlative meanings.

"Intellectual Property" means all worldwide intellectual property and rights arising from or in respect of the following: (i) inventions, discoveries, industrial designs, business methods, patents and applications therefor (including provisional and Patent Cooperation Treaty applications), including continuations, divisionals, continuations-in-part, reexaminations or reissues, extensions, renewals of patent applications and patents issuing thereon; (ii) all trademarks, service marks, marks, collective marks, trade names, business names, assumed names, d/b/a's, fictitious names, service names, brand names, trade dress rights, logos, symbols, Internet domain names and corporate names and general intangibles of a like nature, whether registered, unregistered or arising by Law, and all applications, registrations and renewals for any of the foregoing, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof; (iii) published and unpublished works of authorship in any medium, whether copyrightable or not (including databases and other compilations of information, computer software, source code, object code, algorithms, and other similar materials and Internet website content), copyrights and moral rights therein and thereto, and registrations and applications therefor, and all issuances, renewals, extensions, restorations and reversions thereof, works of authorship, and mask work rights; and (iv) confidential and proprietary information, trade secrets, and know-how, including methods, processes, business plans, schematics, concepts, software and databases (including source code, object code and algorithms), formulae, drawings,

prototypes, models, designs, devices, technology, research and development and customer information and lists.

"Intellectual Property Licenses" means (i) any Contract that contains any grant to a third Person of any right to use, publish, perform or otherwise exploit any Intellectual Property owned by the Company or its Subsidiaries; and (ii) any Contract that contains any grant to the Company or its Subsidiaries of a right to publish, perform or otherwise exploit any third Person's Intellectual Property rights.

"IRS" means the United States Internal Revenue Service.

"Knowledge of the Company" means the actual knowledge of those officers of the Company identified on Schedule 1.1(a) after reasonable inquiry.

"Law" means any federal, state, local or foreign law, statute, code, ordinance, rule or regulation or any guidance or interpretation thereof (including case law or common law) that has the force of law or that governs any Governmental Body's application thereof.

"Legal Proceeding" means any judicial, administrative or arbitral actions, suits, proceedings (public or private) or claims or any proceedings by or before a Governmental Body.

"Liability" means any and all debt, liability or obligation (whether fixed, direct or indirect, known or unknown, absolute or contingent, determined or determinable, secured or unsecured, disputed or undisputed, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and including all costs and expenses relating thereto.

"Lien" means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, adverse or prior claim (or any claim of a third party), restriction, assessment, title retention agreement, title defect, charge, option, right of first refusal, easement, servitude, proxy, voting trust or agreement, hypothecation or charge of any kind whatsoever (including any conditional sale or other title retention agreement, any lease in the nature thereof or the agreement to grant a security interest at a future date), transfer restriction under any shareholder or similar agreement or encumbrance and any Contract to give or grant any of the foregoing.

"Liquidity Annex" means that certain Annex C to the Debt Term Sheet, incorporated herein by reference.

"Material Adverse Effect" means (i) any change, event, development, condition, occurrence or effect that has or is reasonably likely to have a material adverse effect on the business, assets, properties, businesses or results of operations or financial condition of the Company and its Subsidiaries (taken as a whole); or (ii) any change, event, development, condition, occurrence or effect that materially adversely affects the ability of the Company to consummate the Transactions or timely perform its obligations

under this Agreement, other than, with respect to clause (i), an effect resulting from an Excluded Matter.

"New Satellite Agreement" means that certain agreement to be entered into by and between the Company and DirectTV, Inc. on substantially the terms set forth in that certain memorandum of understanding, dated as of December 6, 2012, by and between Col-L Acquisition, LLC, and DirectTV, Inc. and otherwise in form and substance reasonably acceptable to Purchaser Representative.

"Old Equity" means the capital stock of the Company (including preferred stock and any rights to acquire capital stock of the Company) issued, authorized, or outstanding as of the date hereof or immediately prior to the Closing, all of which will be discharged, cancelled or otherwise terminated pursuant to the Plan and upon consummation of the Transactions.

"Order" means any order, injunction, judgment, decree, ruling, writ, subpoena, indictment, stipulation, determination assessment or arbitration award entered into by or with any Governmental Body.

"Ordinary Course of Business" means the ordinary and usual course of normal day-to-day operations of the Business through the date hereof consistent with past practice.

"Permits" means any approvals, authorizations, consents, licenses, permits or certificates of a Governmental Body.

"Permitted Exceptions" means: (i) all defects, exceptions, restrictions, easements, rights of way and encumbrances disclosed in policies of title insurance which have been made available to Purchasers and the Purchaser Designees in the Company's online datasite; (ii) Liens for current Taxes, assessments or other governmental charges not yet delinquent or the amount or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with GAAP; (iii) mechanics', carriers', workers', warehousemens', repairers' and similar Liens arising or incurred in the Ordinary Course of Business; (iv) zoning, entitlement and other land use and environmental regulations by any Governmental Body provided that such regulations have not been violated; (v) liens securing debt as disclosed in the Financial Statements, including liens securing the Credit Agreement, and any Liens securing a debtor in possession financing facility consistent with the DIP Term Sheet attached hereto as Exhibit C, and consented to by Purchaser Representative, in writing (which consent shall not be unreasonably withheld, conditioned or delayed); (vi) title of a lessor under a capital or operating lease; (vii) all Liens set forth on Schedule 1.1(b); and (viii) such other imperfections in title, charges, easements, restrictions and encumbrances which would not be reasonably likely to result in a Material Adverse Effect.

"Person" means any individual, corporation, limited liability company, general or limited partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity of any kind or nature.

"Price Per Share" shall mean the price, calculated as the sum of the amount of the Base Purchase Price together with the amount of the Additional Purchase Price, if any; *divided by* the aggregate number of shares of Common Stock to be purchased by Purchasers and/or Purchaser Designee(s) pursuant to Section 2.1.

"Pro Rata Share" shall mean, with respect to each Purchaser and Purchaser Designee (if any), the amount indicated as the "Pro Rata Share" beside such Party's name as listed on Schedule B (as the same may be amended from time to time in accordance with this Agreement).

"Registration Rights Agreement" means a registration rights agreement with respect to the Common Stock to be purchased hereunder in form and substance satisfactory to Purchaser Representative in its sole and absolute discretion.

"Release" means any spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, or leaching into the environment, but excludes (i) any release which results in exposure to persons solely within a workplace; (ii) emissions from the engine exhaust of a motor vehicle, rolling stock, aircraft, vessel or pipeline pumping station engine; (iii) the normal application of fertilizer; and (iv) any discharge in compliance with a Permit.

"Remedial Action" means all actions to (i) clean up, remove, treat or in any other way address any Release of a Hazardous Material into the environment; (ii) prevent or minimize the Release of any Hazardous Material so it does not migrate to cause substantial danger to public health or welfare or the indoor or outdoor environment; or (iii) perform pre-remedial studies and investigations or post-remedial monitoring and care.

"Reorganization Documents" means the Plan, the Disclosure Statement, any "first-day" motion filed by the Company or any of its Subsidiary Debtors and any motion, application or pleading filed by the Company or any of its Subsidiary Debtors in the Bankruptcy Case which seeks relief that is not inconsistent with the terms hereof, the Plan, the Confirmation Order or the Plan Support Agreement and is approved by Purchaser Representative to the extent required pursuant to the terms hereof or thereof.

"Representatives" means the employees, accountants, consultants, legal counsel, financial and other advisors, agents and other representatives of a Person.

"Studio Contracts" means any license, distribution or output agreement or other any agreement, Contract or arrangement with a studio or production company, and any amendments, modifications and supplements thereto, whereby the Company or any of its Subsidiaries has been granted, sold, conveyed, licensed, sub-licensed or otherwise transferred rights with respect to the distribution, sale, rental, lease, sub-lease, licensing, sub-licensing, exhibition, telecast, broadcast, transmission (including, without limitation, by way of satellite or cable) or other use, exploitation or disposition of any Intellectual Property, in each case, that is material to the Company, or the breach or termination of which would be material to the Company.

"Subsidiary" means any Person with respect to which the Company owns or controls, directly or indirectly, at least a majority of the outstanding securities or ownership interests having by their terms ordinary voting power to elect a majority of the board of directors or elect or appoint other Persons performing similar functions, for such Person, or outstanding securities or ownership interests that represent a majority of such voting power.

"Subsidiary Debtors" means all of the Subsidiaries of the Company other than LodgeNet Interactive (Canada) Corp.

"Superior Proposal" means a bona fide written unsolicited Competing Proposal (which did not result from or arise in connection with a breach of Section 8.11), made in writing after the date of this Agreement by a third Person that (A) the Board of Directors determines in good faith is more favorable to the Company's constituents from a financial point of view than this Agreement, after giving effect to any modifications (if any) proposed to be made to this Agreement or any other offer by Purchasers and the Purchaser Designees after Purchaser Representative's receipt of notice under Section 8.11(b) and (B) which the Board of Directors determines in good faith is reasonably likely to be consummated (if accepted). The determinations of the Board of Directors in clause (A) and (B) of the foregoing shall each be made after consultation with the Company's financial advisor and outside counsel after taking into account all appropriate legal, financial (including the financing terms of such proposal), regulatory and other aspects of such proposal.

"Tax Authority" means the IRS and any state, local or foreign government, or agency, instrumentality or employee thereof, charged with the administration of any Law or regulation relating to Taxes.

"Tax Return" means all returns, declarations, reports, estimates, information returns and statements required to be filed in respect of any Taxes, including any schedule or attachment thereto or amendment thereof.

"Taxes" means (i) all federal, state, local or foreign taxes, charges or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, environmental, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, including any liability for the payment of any of the foregoing as a successor or transferee, by Contract, or otherwise, including as a result of being a member of an affiliated, consolidated, combined, unitary or similar group for any period (including pursuant to Treasury Regulations section 1.1502-6 or comparable provisions of any applicable Law); and (ii) all interest, penalties, fines, additions to tax or additional amounts imposed in connection with any item described in clause (i).

"Threatened" means a demand or statement has been made orally or in writing or a notice has been given orally or in writing, or any other event has occurred or any other circumstances exist that would lead a prudent individual to conclude that an

action, suit, complaint, claim, demand, litigation, arbitration, mediation, hearing, investigation or similar event, occurrence or proceeding, whether at Law or in equity is likely to be asserted, commenced, taken or otherwise initiated.

"Transactions" means the transactions contemplated by this Agreement including the Confirmation Order and the Plan.

"Treasury Regulations" means all temporary and final regulations promulgated under the Code.

1.2 Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the Sections indicated:

Term	Section
Additional Purchase Notice	2.2
Additional Purchase Price	3.1
Additional Shares	2.2
Agreement	Preamble
Alternative Acquisition Agreement	8.11(d)(i)
Amended and Restated Certificate of Incorporation	5.2
Antitrust Division	8.4(a)
Antitrust Laws	8.4(b)
Applicable Date	5.5(a)
Bankruptcy Case	Recitals
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Benchmark Liquidity	Liquidity Annex
Board	Recitals
Capital Leases	5.9(b)
CCL	Preamble
Closing	4.1
Closing Date	4.1
Col-L Acquisition	Preamble
Collective Bargaining Agreements	5.13(a)
Commitment Fee	Recitals
Common Stock	Recitals
Company	Preamble
Company Balance Sheet	5.5(d)
Company Documents	5.2
Company Financial Statements	5.5(d)
Company Intellectual Property	5.10(a)
Company Reports	5.5(a)
Company Securities	5.3(a)
Competing Proposal	8.11(a)
Confidentiality Agreement	8.6
Credit Parties	8.13
Credit Party	8.13

Cure Notice	7.2(c)
Debtors	Recitals
Designee Purchase Price Amount	2.4(a)
Disclosure Statement	Recitals
Employee Benefit Plans	5.12(a)
Estimated Liquidity	Liquidity Annex
Exchange Act	5.5(a)
Financing Arrangements	8.13(a)
FTC	8.4(a)
Indemnitees	8.7(a)
Interested Persons	7.2(c)
Joinder Agreement	2.4(a)
Material Contracts	5.11(a)
New Credit Agreement	10.1(f)
Notice Period	8.11(d)(i)
Owned Property	5.8
PAR Investment Partners	Preamble
Parties	Preamble
Party	Preamble
Personal Property Leases	5.9(a)
Petition Date	Recitals
Plan	Recitals
Plan Support Agreement	Recitals
Plan Supplement	7.2(d)
Purchase Price	3.1
Purchaser	Preamble
Purchasers	Preamble
Purchaser Designee	2.4(a)
Purchaser Documents	6.1(b)
Purchaser Representative	Preamable
Real Property Lease	5.8
Securities Act	5.5(a)
Signing Date Expense Amount	Recitals
Termination Date	4.4(b)
Transfer Taxes	12.1
Warrant Purchase Price	3.2
Warrants	2.3

1.3 Other Definitional and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period

shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Dollars. Any reference in this Agreement to $ shall mean U.S. dollars.

Exhibits/Schedules. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any matter or item disclosed on one Schedule shall be deemed to have been disclosed on each other Schedule. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

Headings. The provision of a Table of Contents, the division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Article" or "Section" are to the corresponding Article or Section of this Agreement unless otherwise specified.

Herein. The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word "including" or any variation thereof means "including, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(a) The Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

(b) Consents and Approvals of Purchaser. Except as otherwise specified in this Agreement, any consent, approval or authorization of Purchaser Representative required or contemplated by this Agreement may be given, withheld, delayed or conditioned by the Purchaser Representative in its sole discretion and for any reason. Notwithstanding the foregoing, the Purchaser Representative agrees not to unreasonably withhold, delay or condition its approval of any pleading to be made with the Bankruptcy Court or any amendment or modification to the Confirmation Order, the Plan, the Plan Supplement, the Disclosure Statement or the DIP Term Sheet which pleading, amendment or modification is consistent with this Agreement and would not have an adverse effect on (i) the Purchasers or the Purchaser Designees, (ii) the Company

or any of its subsidiaries after Closing, or (iii) the likelihood of satisfaction of the conditions to the Purchasers' and the Purchaser Designee's obligations hereunder.

ARTICLE II

PURCHASE AND SALE OF COMMON STOCK AND WARRANTS

2.1 Purchase and Sale of Common Stock. On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchasers and/or the Purchaser Designee(s) shall purchase and acquire from the Company, and the Company shall issue and sell to Purchasers and/or the Purchaser Designee(s), shares of Common Stock representing one hundred percent (100%) (subject to dilution pursuant to Section 2.2 and in respect of the Warrants) of the issued and outstanding shares of Common Stock as of the Closing on a fully diluted basis. The Common Stock shall be allocated among the Purchasers and the Purchase Designees in accordance with Schedule B (as the same may be amended from time to time in accordance with this Agreement).

2.2 Purchase and Sale of Additional Shares. At any time after the date hereof and prior to the Closing, Purchaser Representative may, in its sole and absolute discretion, deliver to the Company one or more written notices (the "Additional Purchase Notice(s)"), indicating Purchasers' and/or Purchaser Designee's desire to purchase additional shares of Common Stock (such number of shares indicated therein, the "Additional Shares"), at a price equal to the Price Per Share, up to an aggregate additional purchase price of Thirty Million Dollars ($30,000,000), which Additional Shares shall be allocated among Purchasers and/or the Purchaser Designee(s) as set forth in the Additional Purchase Notice(s). On the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchasers and/or Purchaser Designee(s) shall purchase and acquire from the Company, and the Company shall issue and sell to Purchasers and/or Purchaser Designee(s), the Additional Shares. Promptly following execution and delivery of an Additional Purchase Notice, the Purchaser Representative shall deliver to the Company a revised copy of Schedule B, which shall set forth the portion of the Additional Purchase Price which each Purchaser and/or Purchaser Designee shall be responsible to pay, as determined by the Purchaser Representative in its sole discretion, and such revised Schedule B shall amend and restate Schedule B hereto without any further action by the Company or any other Party.

2.3 Purchase and Sale of Warrant. On the terms and subject to the conditions set forth in this Agreement, at the Closing, the Company shall issue and sell warrants reflecting the terms set forth on Schedule C attached hereto, to the Persons set forth thereon, in the form of warrants approved by Purchaser Representative in its sole and absolute discretion (collectively, the "Warrants").

2.4 Purchaser Designees.

(a) Subject to the following proviso set forth in this Section 2.4(a), Purchaser Representative may assign the right to purchase Additional Shares and the corresponding obligation to pay Purchase Price for such Additional Shares pursuant to

ARTICLE II and ARTICLE III , respectively, to one or more Persons (i) listed on Schedule 2.4 (all of whom are deemed pre-approved by the Company), (ii) who can make an adequate showing of their financial capability without jeopardizing the consummation of the Plan, or (iii) approved in writing after the date hereof by the Company (which approval shall not be unreasonably withheld, conditioned or delayed), by causing such Person(s) to execute and deliver to the Company a joinder agreement in the form attached hereto as Exhibit D (the "Joinder Agreement") (each such Person who has executed a Joinder Agreement, a "Purchaser Designee"); provided, that Purchaser Representative may not make such assignment to the extent that, as of immediately following the Closing, CCL and its Affiliates would not have the ability to control (including pursuant to a voting agreement or otherwise by contract) the election of a majority of the board of directors of the Company. The applicable portion of the Purchase Price which a Purchaser Designee is obligated to pay pursuant to ARTICLE III , as set forth in the applicable Joinder Agreement, is referred to herein as a "Designee Purchase Price Amount".

(b) In addition to and without limitation of Section 2.4(a) and Section 2.4(c), Col-L Acquisition may in its sole discretion increase the amount of the Purchase Price by adding Purchaser Designees. The addition of a Purchaser Designee shall increase the Purchase Price correspondingly or reduce the Pro Rata Share of any or all Purchasers and/or Purchaser Designees pursuant to Section 2.4(c); provided that notwithstanding the foregoing the total Purchase Price payable by Col-L Acquisition at the Closing shall not in any circumstance be reduced below Twenty Million Dollars ($20,000,000). Purchaser Representative shall notify the Company in writing simultaneously with the delivery of a Joinder Agreement for each Purchaser Designee as to whether such Purchaser Designee's commitment increases the Purchase Price.

(c) In addition to and without limitation of Section 2.4(a) and Section 2.4(b), the Purchaser Representative may in its sole discretion decrease the Pro Rata Share of any Purchaser or Purchaser Designee (and corresponding portion of the Purchase Price of any such Purchaser or Purchaser Designee) by adding a Purchaser Designee. Purchaser Representative's reduction of a Purchaser or Purchaser Designee's Pro Rata Share shall be set forth on a written notice delivered to the Company and such reduction shall be reflected on the amended Schedule B, attached hereto from time to time, in accordance herewith. Notwithstanding the foregoing, Purchaser Representative may not reduce the total Purchase Price payable by the Purchasers and all Purchaser Designees to an amount less than Fifty Million Dollars ($50,000,000). Each Purchaser and each Purchaser Designee acknowledges and agrees that the Purchaser Representative has the right, power and authority at any time from time to time to (i) reduce such Purchaser's or Purchaser Designee's Pro Rata Share and (ii) reduce the number of shares of LNET Common Stock which such Purchaser and Purchaser Designee is entitled to purchase and acquire hereunder at the Closing, in each case, without any further consent or approval (including, without limitation, any consent or approval of such Purchaser or Purchaser Designee), in accordance with the terms and provisions of this Agreement.

(d) Subject to Section 2.4(a) and Section 2.4(b), the Purchasers and the Purchaser Designees shall be severally, and not jointly, obligated to pay their respective

portions of the Purchase Price. Promptly following execution and delivery of the Joinder Agreement, the Purchaser Representative shall deliver to the Company a revised copy of Schedule B, which shall include an updated list of the Pro Rata Shares of each Purchaser reflecting the adjustments described in Section 2.4(c), and such revised Schedule B shall amend and restate Schedule B attached hereto without any further action by the Company or any other Party.

ARTICLE III

CONSIDERATION

3.1 Common Stock Consideration. The aggregate consideration for the Common Stock to be purchased by Purchasers and the Purchaser Designee(s) pursuant to Section 2.1 shall be an amount in cash equal to Sixty Million Dollars ($60,000,000). The aggregate consideration for the Additional Shares to be purchased by Purchasers and the Purchaser Designee(s) pursuant to Section 2.2, if any, shall be an amount in cash calculated as the number of Additional Shares ***multiplied by*** the Price Per Share, which amount shall not exceed Thirty Million Dollars ($30,000,000) (the "Additional Purchase Price" and together with the Base Purchase Price, collectively, the "Purchase Price"). The portion of the Purchase Price which each Purchaser and Purchaser Designee, if any, is responsible to pay at Closing is set forth on Schedule B hereto (as the same may be amended from time to time in accordance with this Agreement).

3.2 Warrant Consideration. The aggregate consideration for the purchase of the Warrants shall be an amount in cash equal to Five Thousand Dollars ($5,000) (the "Warrant Purchase Price"), allocated as set forth on Schedule C.

3.3 Payment of Purchase Price. On the Closing Date, (i) each Purchaser shall pay its Pro Rata Share of the Purchase Price to the Company, (ii) each Purchaser Designee shall pay its Designee Purchase Price Amounts to the Company, and (iii) each party set forth on Schedule C shall pay the Warrant Purchase Price as set forth next to such Persons name, to the Company, which, in each case, shall be paid by wire transfer of immediately available funds into a single account designated by the Company.

ARTICLE IV

CLOSING AND TERMINATION

4.1 Closing Date. Subject to the satisfaction of the conditions set forth in ARTICLE X (or the waiver thereof by the Party entitled to waive that condition (it being understood that (i) only the Purchaser Representative (and for the avoidance of doubt, not any other Purchaser or any Purchaser Designee) may waive any condition to the obligation of the Purchasers and the Purchaser Designees to consummate the Transactions in Section 10.1 and Section 10.3 and (ii) only the Company may waive any condition to the obligation of the Company to consummate the Transactions in Section 10.2 and Section 10.3, the closing of the purchase and sale of the Common Stock and the Warrants provided for in ARTICLE II (the "Closing") shall take place at the offices of

Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (or at such other place as the Company and Purchaser Representative may designate in writing) at 11:00 a.m. (eastern time) on the date that is two (2) Business Days following the satisfaction or waiver of the conditions set forth in ARTICLE X (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), unless another time or date, or both, are agreed to in writing by the Company and Purchaser Representative. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." Unless otherwise agreed by the Company and Purchaser Representative in writing, the Closing shall be deemed effective and all right, title and interest in and to the shares of Common Stock, any Additional Shares and the Warrants to be purchased hereunder, and under the Plan, shall be considered to have passed to Purchasers and/or the Purchaser Designee(s), as applicable, as of 12:01 a.m. (eastern time) on the Closing Date.

4.2 Deliveries by the Company. At the Closing, the Company shall deliver, or cause to be delivered, to the Purchaser Representative:

(a) certificates representing the Common Stock and any Additional Shares, in the denominations and registered in the names instructed to the Company by Purchaser Representative;

(b) the Warrants, to the extent requested by the Purchaser Representative, duly executed by the Company;

(c) a certificate of a duly authorized officer of the Company having attached thereto copies of the resolutions of the Board of Directors approving the execution of this Agreement and the consummation of the transactions by the Company, each of which shall be in full force and effect and shall not have been modified, duly executed by the appropriate officer; and

(d) the Registration Rights Agreement, if any;

(e) the officer's certificate required to be delivered pursuant to Sections 10.1(a) and 10.1(b), duly executed by the applicable officer(s); and

(f) the certificate of FTI Consulting, Inc. required to be delivered pursuant to the Liquidity Annex.

4.3 Deliveries by Purchasers, Purchaser Designees and Warrant Holders.

(a) At the Closing, each Purchaser shall deliver, or cause to be delivered, to the Company such Purchaser's Pro Rata Share of the Purchase Price, in immediately available funds, as set forth in Section 3.1;

(b) At the Closing, each Purchaser and Purchaser Designee shall deliver or cause to be delivered to the Company the officer's certificate required to be delivered pursuant to Sections 10.2(a) and 10.2(b), duly executed by the applicable officer(s).

(c) At the Closing, each Purchaser Designee, if any, shall deliver, or cause to be delivered, to the Company such Purchaser Designees' Designee Purchase Price Amount.

(d) At the Closing, each Warrant holder shall deliver, or cause to be delivered, to the Company its respective share of the Warrant Purchase Price Amount.

4.4 Termination of Agreement. This Agreement may be terminated and the Transactions abandoned prior to the Closing as follows:

(a) by mutual written consent of the Company and the Purchaser Representative, on behalf of the Purchasers and the Purchaser Designees;

(b) by Purchaser Representative, on behalf of the Purchasers and the Purchaser Designees, if any of the following occurs:

(i) the Company shall not have commenced solicitation of the lenders under the Credit Agreement in accordance with section 1126(b) and Rule 3018 of the Bankruptcy Code pursuant to the Disclosure Statement within five (5) Business Days after the date hereof;

(ii) the Petition Date shall not have occurred within forty (40) calendar days after the date hereof unless extended by Purchaser Representative;

(iii) the credit agreement to be entered into pursuant to the terms and conditions of the DIP Term Sheet and the New Credit Agreement and related financing documents, shall not have been executed (subject to the Closing for its effectiveness) by the Effective Date unless extended by Purchaser Representative;

(iv) within five calendar days after the Petition Date, (A) the Company shall not have filed with the Court a motion for approval of the Disclosure Statement and entry of the Confirmation Order, and set a timely return date for the same, in each case in form and substance approved by Purchaser Representative, or (B) the Bankruptcy Court shall not have entered an order approving, on an interim basis, debtor in possession financing on the terms set forth in the DIP Term Sheet attached hereto as Exhibit C (except for changes that are approved by the Purchaser Representative) and all other "first day" motions filed by the Company with Purchaser Representative's approval in form and substance acceptable to the Purchaser Representative, unless extended by Purchaser Representative;

(v) within five (5) Business Days after the Petition Date, the Company shall have not mailed the notices contemplated in Section 7.2(c), in form and substance approved by Purchaser Representative;

(vi) the Debtors shall have filed any motion or other request for relief seeking to (1) dismiss the Bankruptcy Case (2) convert the Bankruptcy Case

to a case under chapter 7 of the Bankruptcy Code, or (3) appoint a trustee or an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code in the Bankruptcy Case;

(vii) the Bankruptcy Court shall have entered an Order (1) dismissing the Bankruptcy Case, (2) converting the Bankruptcy Case to a case under chapter 7 of the Bankruptcy Code, (3) appointing a trustee or an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code in the Bankruptcy Case, (4) terminating or shortening exclusivity under section 1121 of the Bankruptcy Code, or (5) making a finding of fraud, dishonesty or misconduct by any executive, officer or director of the Debtors, regarding or relating to the Debtors;

(viii) the Company shall have requested the Bankruptcy Court to grant, or the Bankruptcy Court shall have granted relief that is inconsistent with any of this Agreement, the Confirmation Order, the Plan including the Plan Support Agreement, the Exit Term Loan Term Sheet or the New Credit Agreement in any material respect (in each case, with such amendments and modifications as have been properly effected or are permitted in accordance with the terms hereof);

(ix) the Confirmation Order shall not have been entered by the Bankruptcy Court within forty-five (45) days after the Petition Date unless extended by Purchaser Representative;

(x) the Closing Date shall not have occurred within fifteen (15) days after the entry of the Confirmation Order by the Bankruptcy Court unless extended by Purchaser Representative;

(xi) any of the conditions to the obligations of Purchasers and the Purchaser Designees set forth in Sections 10.1 or 10.3 shall have become incapable of fulfillment other than as a result of a breach by Purchasers or the Purchaser Designees of any representation, warranty, covenant or agreement contained in this Agreement or any Fundamental Agreement, and such condition is not waived by Purchaser Representative;

(xii) there shall be a breach by the Company of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Sections 10.1 or 10.2 and which breach cannot be cured or has not been cured by the earlier of (i) fifteen (15) Business Days after the giving of written notice by Purchaser Representative to the Company of such breach and (ii) the Termination Date;

(xiii) (A) the Plan Support Agreement shall have been terminated; (B) the Plan Support Agreement shall have been amended in any respect adverse to any Purchaser, Purchaser Designee or the Company or any of its subsidiaries without the consent of Purchaser Representative; (C) any

Consenting Lender shall have withdrawn, repudiated or challenged its obligations under the Plan Support Agreement or its approval of the Plan or the Transaction or breached any of its obligations under the Plan Support Agreement, in either case in any respect that would adversely affect the confirmation of the Plan or the Transaction or adversely affect any Purchaser, Purchaser Designee or the Company or any of its Subsidiaries after the Closing Date; (D) the Company shall have waived or amended any provision of the Plan Support Agreement without the consent of Purchaser Representative; or (E) any breach or default shall have occurred under the Plan Support Agreement which breach or default would permit any party to terminate the Plan Support Agreement and such breach or default has not been waived or cured within five (5) calendar days after the receipt of written notice of such breach in accordance with the Plan Support Agreement; provided, however, that if the Purchaser Representative has not exercised its right to terminate this Agreement pursuant to this Section and such breach or default has been cured or waived following such five (5) calendar day period, the Purchaser Representative shall no longer have the right to terminate this Agreement pursuant to this Section on account of such breach or default;

(xiv) the Company has breached Section 8.11; or

(xv) if the Closing shall not have occurred by the close of business on April 30, 2013 (the "Termination Date"); provided, however, that if the Closing shall not have occurred on or before the Termination Date solely as the result of a material breach by Purchasers or the Purchaser Designees of any of their representations, warranties, covenants or agreements contained in this Agreement, then Purchaser Representative may not terminate this Agreement pursuant to this Section 4.4(b);

(c) by the Company, if any of the following occurs:

(i) if the Closing shall not have occurred by the close of business on the Termination Date; provided, however, that if the Closing shall not have occurred on or before the Termination Date due to a material breach of any representations, warranties, covenants or agreements contained in this Agreement by the Company, then the Company may not terminate this Agreement pursuant to this Section 4.4(c);

(ii) any condition to the obligations of the Company set forth in Sections 10.2 and 10.3 shall have become incapable of fulfillment other than as a result of a breach by the Company of any covenant or agreement contained in this Agreement, and such condition is not waived by the Company; or

(iii) there shall be a breach by any of the Purchasers or the Purchaser Designees of any representation or warranty, or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 10.2 or Section 10.3 and which breach cannot be cured or has not been cured by the earlier of (i) fifteen (15) Business Days after

the giving of written notice by the Company to Purchaser Representative of such breach and (ii) the Termination Date.

(d) by the Company or Purchaser Representative, on behalf of the Purchasers and the Purchaser Designees, if any of the following occurs:

(i) there shall be in effect a final nonappealable Order of a Governmental Body of competent jurisdiction permanently enjoining or otherwise prohibiting the consummation of the Transactions; or

(ii) (A) the Company enters into a definitive agreement with respect to a Superior Proposal, (B) the Bankruptcy Court enters an order approving a Superior Proposal, or (C) the Bankruptcy Court enters an order that otherwise precludes the consummation of the Transactions on the terms and conditions set forth in this Agreement, provided, however, that the Company may terminate pursuant to this Section 4.4(d)(ii), only if the applicable action described in clause (A), (B) or (C) was not in violation of Section 8.11 and only if the Company has provided Col-L Acquisition, by wire transfer of immediately available funds, the reimbursement amounts provided for in Section 9.1.

Notwithstanding the foregoing, (i) in the event of the termination of this Agreement for any reason, Col-L Acquisition shall keep and retain the full amount of the Commitment Fee, the Signing Date Expense Amount, and any fees, costs and expenses for which Col-L Acquisition has been reimbursed pursuant to Section 9.1, and Col-L Acquisition shall be entitled to receive immediate payment from the Company for any additional fees, costs and expenses through and including the date of such termination which have not yet been paid by the Company pursuant to Section 9.1, *provided* that in the event of termination of this Agreement pursuant to Section 4.4(c)(iii), Col-L Acquisition shall pay to the Company upon termination an amount equal to the Commitment Fee. The failure of a party to exercise its right to terminate this Agreement under, or the extension of any time period in, any provision of this ARTICLE IV at any time will not constitute a waiver of any such right. For the avoidance of doubt, the automatic stay arising pursuant to section 362 of the Bankruptcy Code in the Bankruptcy Case shall be deemed waived or modified for purposes of providing notice under or terminating this Agreement.

4.5 Procedure Upon Termination. In the event of termination by the Purchaser Representative or the Company, or both, pursuant to Section 4.4, written notice thereof shall forthwith be given to the other Party(ies) specifying the provision hereof pursuant to which the termination of the Transactions is made, and this Agreement shall terminate, and the purchase of the Common Stock and the Warrants hereunder shall be abandoned, without further action by Purchasers, the Purchaser Designees or the Company. If this Agreement is terminated as provided herein, each Party shall redeliver all documents, work papers and other material of any other Party relating to the Transactions, whether so obtained before or after the execution hereof, to the Party furnishing the same.

4.6 Effect of Termination.

(a) In the event that this Agreement is validly terminated as provided herein, then each of the Parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to Purchasers, the Purchaser Designees or the Company; provided, however, that (i) the obligations of the Parties set forth in this Section 4.6, Section 8.6, Section 8.8, Section 9.1 and Section 9.2 shall survive any such termination and shall be enforceable hereunder, and (ii) in the event of the termination by the Company pursuant to Section 4.4(c)(iii), then Col-L Acquisition shall within five (5) Business Days following such termination deliver to the Company an amount in cash equal to the Commitment Fee; and provided that, in any case, nothing herein shall relieve any Party from liability for any breach of this Agreement prior to such termination.

(b) Nothing in this Section 4.6 shall: (i) relieve any Purchaser, any Purchaser Designee or the Company of any liability for breach of this Agreement prior to the date of termination, (ii) require Col-L Acquisition to refund any payment for reimbursement of its fees, costs and expenses made prior to the date of termination, including the Signing Date Expense Amount; or (iii) relieve the Company of its obligation to pay Col-L Acquisition's fees, costs and expenses in accordance with ARTICLE IX . No party shall be liable under this Agreement for any special, punitive, consequential or other similar indirect damages. In no event shall any Purchaser or Purchaser Designee have any Liability hereunder in excess of such Purchaser's respective Pro Rata Share of the Purchase Price or such Purchaser Designee's Designee Purchase Price Amount, as applicable, in addition to, with respect to Col-L Acquisition, an amount equal to the Commitment Fee upon the termination of this Agreement pursuant to Section 4.4(c)(iii) subject to and in accordance with Section 4.4.

(c) The Confidentiality Agreement shall survive any termination of this Agreement and nothing in this Section 4.6 shall relieve the Company, CCL, Purchasers or the Purchaser Designees, of their respective obligations under the Confidentiality Agreement.

ARTICLE V

REPRESENTATIONS AND WARRANITES OF THE COMPANY

The Company hereby represents and warrants to Purchasers, the Purchaser Designees and CCL that, except as set forth in the Schedules corresponding to the applicable paragraph or subparagraph:

5.1 Organization and Good Standing.

(a) The Company and each of its Subsidiaries is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted. The Company and each of its Subsidiaries is duly qualified or authorized to do business and is in good standing under the Laws of each jurisdiction in which it owns or leases real property or in which the conduct of its

business or the ownership of its assets or properties requires such qualification or authorization, except where the failure to be so qualified, authorized or in good standing would not be reasonably likely to result in a Material Adverse Effect.

(b) Each of the Subsidiaries of the Company is listed on Schedule 5.1(a) along with its jurisdiction of organization. All of the outstanding shares of capital stock or other ownership interests of each Subsidiary are owned by the Company, directly or indirectly, in each case free and clear of all Liens and free of any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such ownership interest), other than (i) restrictions under applicable securities Laws, (ii) Permitted Exceptions and (iii) other Liens that will be released prior to the Closing, and have not been issued in violation of pre-emptive or similar rights. Except as listed on Schedule 5.1(b) and for the capital stock and other ownership interest of their respective Subsidiaries, neither the Company nor any of its Subsidiaries owns, directly or indirectly, any equity, ownership, profit, voting or similar interest in or any other interest convertible, exchangeable or exercisable for, any equity, profit, voting or similar interest in, any Person.

5.2 Authorization of Agreement. Except (with respect to the Company's obligation to perform and consummate the Transactions) for such authorization as is required by the Bankruptcy Court (as herein provided for) and the filing of the Amended and Restated Certificate of Incorporation, in the form approved by the Purchaser Representative in its sole and absolute discretion (the "Amended and Restated Certificate of Incorporation") with the Secretary of State of the State of Delaware, the Company has all requisite power, authority and legal capacity to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement to which it is a party or to be executed by the Company in connection with the consummation of the Transactions (the "Company Documents"), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Company of this Agreement and the Company Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of the Company, and no other corporate proceedings on the part of the Company is necessary to authorize this Agreement or to consummate the Transactions. This Agreement has been, and each of the Company Documents will be at or prior to the Closing, duly and validly executed and delivered by the Company and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each of the Company Documents when so executed and delivered will constitute, legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

5.3 Capitalization.

(a) The capitalization of the Company is set forth on Schedule 5.3(a). Except as set forth on Schedule 5.3(a), all of the issued and outstanding shares of capital stock of the Company were duly authorized for issuance and are validly issued, fully paid and non-assessable, as applicable. There is no existing option, warrant, call, right, or Contract of any character to which the Company is a party requiring, and there are no securities of the Company outstanding which upon conversion or exchange would require, the issuance of any capital stock of the Company or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase capital stock of the Company (all such securities, together with the securities set forth in Schedule 5.3(a), including the Common Stock, collectively, the "Company Securities").

(b) The capitalization of each Subsidiary of the Company is set forth on Schedule 5.3(b). All of the issued and outstanding shares of capital stock or other equity interests of the Company's Subsidiaries were duly authorized for issuance and are validly issued, fully paid and non-assessable, as applicable. Except as set forth on Schedule 5.3(b), there is no existing option, warrant, call, right, or Contract of any character to which any of the Company's Subsidiaries is a party requiring, and there are no securities of any of the Company's Subsidiaries outstanding which upon conversion or exchange would require, the issuance, of any shares of capital stock or other equity interests of any of the Company's Subsidiaries or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase shares of capital stock or other equity interests of any of the Company's Subsidiaries.

(c) The Company and its Subsidiaries have no outstanding bonds, debentures, notes or other obligations the holders of which have the right to vote (or which are convertible or exchangeable into or exercisable for securities having the right to vote) with the stockholders of the Company and/or its Subsidiaries on any matter.

(d) Except as set forth on Schedule 5.3(d), there are no (i) voting trusts, proxies, equity holders agreements or other similar agreements or understandings to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound with respect to the voting or registration of, or restricting any Person from purchasing, selling, pledging or otherwise disposing of, the capital stock or other equity interest of the Company or any of its Subsidiaries; (ii) obligations or commitments restricting the transfer of, or requiring the registration for sale of, any shares of capital stock of the Company or any of its Subsidiaries; or (iii) obligations or commitments of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any capital stock of the Company or to make any investment (in the form of a loan, capital contribution or otherwise) in any Person.

(e) As a result of the Plan, all of the Company Securities outstanding as of the Petition Date, which constitute all the capital stock of the Company, shall be canceled immediately prior to the Closing with no further rights and obligations relating thereto and all equity-based incentive plans (including stock option plans, rights plans, etc.) of the Company shall be terminated. As of the Closing (and giving effect to the Closing), all of the issued shares of Common Stock will be held by Purchasers and/or a Purchaser Designee, and all of which shall be free and clear of all Liens.

5.4 Conflicts; Consents of Third Parties.

(a) None of the execution and delivery by the Company of this Agreement or the Company Documents, the consummation of the Transactions, or compliance by the Company with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation or acceleration of any obligation or to loss of a material benefit under, or give rise to any obligations of the Company or any of its Subsidiaries to make any payment under or to the increased, additional, accelerated or guaranteed rights or entitlements of any Person under, or result in the creation of any Liens (other than Permitted Exceptions) under any provision of: (i) the organizational documents of the Company or any of its Subsidiaries; (ii) subject to the Confirmation Order, any Contract or Permit to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective properties or assets is bound; (iii) subject to the Confirmation Order, any Order of any Governmental Body applicable to the Company or any of its Subsidiaries or any of their respective properties or assets of the Company as of the date hereof; or (iv) subject to the Confirmation Order, any applicable Law, other than, in the case of clauses (ii), (iii) and (iv), such conflicts, violations, defaults, terminations or cancellations that would not be reasonably likely to result in a Material Adverse Effect.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of the Company or any of its Subsidiaries in connection with the execution and delivery of this Agreement or the Company Documents, the compliance by the Company with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by the Company or any of its Subsidiaries of any other action contemplated hereby or thereby, including the assignment and assumption by the Company or any of its Subsidiaries of any Contracts except for (i) the filing of the Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware; (ii) compliance with the applicable requirements of the HSR Act or other Antitrust Laws; (iii) the Confirmation Order, and (iv) such other consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications, the failure of which to obtain or make would not be reasonably likely to result in a Material Adverse Effect.

5.5 Company Reports and Financial Statements; Undisclosed Liabilities.

(a) The Company has filed or furnished, as applicable, on a timely basis, all forms, statements, certifications, reports and documents required to be filed or furnished by it with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Securities Act of 1933, as amended (the "Securities Act"), since January 1, 2011 (the "Applicable Date") (the forms, statements, reports and documents filed or furnished since the Applicable Date and those filed or furnished subsequent to the date of this Agreement, including any amendments thereto, the "Company Reports"). Each of the Company Reports, at the time of its filing or being furnished (or, if amended or superseded by a subsequent filing prior to the date of this

Agreement, as of the date of the last such amendment or superseded filing), complied in all material respects with the applicable requirements of the Securities Act and the Exchange Act, and the rules and regulations promulgated thereunder applicable to such Company Reports. As of their respective dates (or, if amended prior to the date of this Agreement or superseded by a subsequent filing prior to the date of this Agreement, as of the date of the last such amendment or superseded filing), the Company Reports did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading.

(b) To the Knowledge of the Company, there are no investigations against or involving the Company, any of its Subsidiaries or the Business, pending or Threatened by the SEC. None of the Company or any of its Subsidiaries has received any letter, request for information, demand or inquiry from the SEC with respect to an investigation involving the Company, any of its Subsidiaries or the Business, during the past three (3) years.

(c) The Company maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act. Such disclosure controls and procedures are designed and maintained to ensure that information required to be disclosed by the Company is recorded and reported on a timely basis to the individuals responsible for the preparation of the Company's filings with the SEC and other public disclosure documents. The Company maintains internal control over financial reporting (as defined in Rule 13a-15 or 15d-15, as applicable, under the Exchange Act). Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on its financial statements. The Company has disclosed, based on the most recent evaluation of its chief executive officer and its chief financial officer prior to the date of this Agreement, to the Company's auditors and the audit committee of the Board of Directors (A) any significant deficiencies in the design or operation of its internal control over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and has identified for the Company's auditors and audit committee of the Board of Directors any material weaknesses in internal control over financial reporting and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting. To the knowledge of the Company, since the Applicable Date, no material complaints from any source regarding accounting, internal accounting controls or auditing matters have been received by the Company.

(d) The Company has previously delivered to Purchasers, the Purchaser Designees and CCL the audited consolidated balance sheet of the Company for the fiscal year ended December 31, 2011, and the related audited consolidated statements of operations and cash flows and the unaudited consolidated balance sheet of the Company, as of September 30, 2012 (the "Company Balance Sheet Date"), and the related unaudited consolidated statements of operations and cash flows. All of the foregoing financial statements (including the related notes and schedules) and each of the consolidated balance sheets included in or incorporated by reference into the Company Reports (including the related notes and schedules) are referred to collectively as the "Company Financial Statements". The Company Financial Statements present fairly in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of its date and each of the consolidated statements of income and cash flows included in or incorporated by reference into the Company Reports (including any related notes and schedules) presents fairly in all material respects the results of operations and cash flows, as the case may be, of such companies for the periods set forth therein (subject, in the case of unaudited statements, to notes and normal year-end audit adjustments), in each case in accordance with GAAP consistently applied during the periods involved, except as may be noted therein.

(e) Except (i) as reflected or reserved against in the Company Financial Statements, (ii) for liabilities and obligations incurred since the Company Balance Sheet Date in the Ordinary Course of Business that are not, individually or in the aggregate, material to the Company and its subsidiaries, and (iii) for liabilities or obligations which have been discharged or paid in full in the Ordinary Course of Business, and as set forth in Schedule 5.5(e), neither the Company nor any of its Subsidiaries has any liabilities or obligations that would be required to be shown on a balance sheet prepared as of the date of this Agreement in accordance with GAAP, or described in the notes thereto, whether or not accrued, contingent or otherwise.

5.6 Absence of Certain Changes. Except as set forth on Schedule 5.6, since January 1, 2012, the Company and its Subsidiaries have conducted their business in the Ordinary Course of Business, except for the commencement of the Bankruptcy Case contemplated herein. Except as set forth on Schedule 5.6, since January 1, 2012, there has not been or occurred any event, condition, change, occurrence or development that, individually or in the aggregate, has had or would be reasonably likely to result in a Material Adverse Effect, except for the commencement of the Bankruptcy Case contemplated herein. Since the Company Balance Sheet Date, no event has occurred and the Company and its Subsidiaries have taken no action that, if taken after the date hereof, would constitute a breach of Section 8.2 (other than Sections 8.2(b)(i)(1) and (2) unless such event or action (i) occurs after the date of this Agreement or (ii) if occurring prior to the date of this Agreement would be reasonably likely to result in a Material Adverse Effect).

5.7 Taxes. Except as set forth on Schedule 5.7;

(a) Except for matters that would not be reasonably likely to result in a Material Adverse Effect, (i) the Company and its Subsidiaries have timely filed all Tax

Returns required to be filed with the appropriate Tax Authorities in all jurisdictions in which such Tax Returns are required to be filed (taking into account any extension of time to file granted or to be obtained on behalf of the Company and its Subsidiaries); (ii) all Taxes due with respect to the Company and its Subsidiaries, regardless of whether shown as due on such Tax Returns have been timely paid; (iii) all Taxes required to be withheld by the Company and its Subsidiaries have been withheld and have been timely paid to the appropriate Tax Authority, (iv) no Tax audits, investigations or administrative or judicial proceedings are pending or in progress or have been Threatened with respect to the Company or any of its Subsidiaries, and no adjustment relating to any Tax Return filed with respect to the Company or its Subsidiaries, or both, has been proposed in writing by any Tax Authority; (v) no "closing agreement" pursuant to section 7121 of the Code (or similar provision of any applicable Law) has been entered into by or with respect to the Company or any of its Subsidiaries; (vi) no agreement, waiver or other document or arrangement extending or having the effect of extending the period for assessment or collection of Taxes (including, but not limited to, any applicable statute of limitations) or the period for filing any Tax Return (other than pursuant to an extension of time to file a Tax return obtained in the Ordinary Course of Business), has been executed or filed with any Tax Authority by or on behalf of any of the Company or its Subsidiaries, which Taxes have not since been paid or which Tax Return has not since been filed; (vii) none of the Company or any of its Subsidiaries has been party to any "listed transaction" as defined in Treasury Regulation section 1.6011-4 or subject to any similar provision of any applicable Law; (viii) none of the Company or any of its Subsidiaries will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any (A) change in method of accounting for a taxable period ending on or prior to the Closing Date; and (B) installment sale or open transaction disposition made on or prior to the Closing Date, or (C) election under section 108(i) of the Code; and (ix) none of the Company or any of its Subsidiaries is a party to or bound by, or has any obligation under, any Tax allocation or sharing agreement or similar Contract or arrangement that obligates it to make any payment computed by reference to the Taxes, taxable income, taxable losses, or taxable value of any other Person, other than commercial agreements, Contracts or arrangements, in each case, the primary purpose of which does not relate to Taxes and entered into in the Ordinary Course of Business or agreements, Contracts or arrangements solely between or among the Company and its Subsidiaries.

(b) The Company is not a foreign person within the meaning of section 1445 of the Code.

(c) There are no liens as a result of any unpaid Taxes upon any of the assets of the Company or any of its Subsidiaries, except for liens that would not be reasonably likely to result in a Material Adverse Effect.

5.8 Real Property. Schedule 5.8 sets forth a complete list of (a) all material real property and interests in real property owned in fee by the Company and its Subsidiaries (individually, an "Owned Property"), and (b) all material real property and interests in real property leased by the Company and its Subsidiaries (individually, a

"Real Property Lease") as lessee or lessor. The Company and its Subsidiaries have good and valid fee title to all Owned Property, free and clear of all Liens of any nature whatsoever, except for Permitted Exceptions. To the Knowledge of the Company, neither the Company nor any of its Subsidiaries has received any written notice of any default or event that with notice or lapse of time, or both, would constitute a default by the Company or any of its Subsidiaries under any of the Real Property Leases.

5.9 Tangible Personal Property; Capital Leases.

(a) Schedule 5.9(a) sets forth all leases of personal property ("Personal Property Leases") involving annual payments in excess of Twenty-Five Thousand Dollars ($25,000) relating to personal property used by the Company or any if its Subsidiaries or to which the Company or any if its Subsidiaries is a party or by which the properties or assets of the Company or any if its Subsidiaries is bound. To the Knowledge of the Company, neither the Company nor any of its Subsidiaries has received any written notice of any default or event that with notice or lapse of time or both would constitute a default by the Company or any if its Subsidiaries under any of the Personal Property Leases.

(b) Schedule 5.9(b) sets forth all capital leases ("Capital Leases") involving annual payments in excess of Twenty-Five Thousand Dollars ($25,000) relating to property used by the Company or any if its Subsidiaries or to which the Company or any if its Subsidiaries is a party or by which the properties or assets of the Company or any if its Subsidiaries are bound; provided, however, that the Capital Leases not disclosed on Schedule 5.9(b) shall not, in the aggregate, involve annual payments in excess of One Hundred Thousand Dollars ($100,000).

(c) The Company and its Subsidiaries have a valid and enforceable leasehold interest under each of the Personal Property Leases and Capital Leases under which each is a lessee, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). Each of the Personal Property Leases and Capital Leases is in full force and effect.

(d) All personal property of the Company and its Subsidiaries (including personal property subject to Personal Property Leases) and all property of Company or any of its Subsidiaries subject to Capital Leases, is (i) in good operating condition and repair (ordinary and reasonable wear and tear excepted), and (ii) suitable for the purposes for which it is currently used.

(e) Neither the Company nor any of its Subsidiaries has leased or subleased to any other Person any property that is subject to a Personal Property Lease or a Capital Lease. Neither the Company nor any of its Subsidiaries has assigned to any other Person its interest under any lease or sublease with respect to any property subject to a Personal Property Lease or Capital Lease. The rental set forth in each lease or sublease of any item or distinct group of personal property of the Company or each of its

Subsidiaries is and immediately after the Closing reflects in all material respects the actual rental being paid by the Company or such Subsidiary and there are and immediately after the Closing will be no separate agreements or understandings in respect thereof.

5.10 Intellectual Property.

(a) Except where the failure would not reasonably be expected to be, individually or in the aggregate, material to the Company or any of its Subsidiaries taken as a whole, the Company or each of its Subsidiaries own or possess adequate licenses or other valid rights in use, publish and perform, as applicable, all Intellectual Property used by them in the Ordinary Course of Business or as otherwise necessary for the conduct of their businesses as conducted on the date hereof (collectively, the "Company Intellectual Property"). Schedule 5.10(a) sets forth a complete and accurate list of all registered and material unregistered copyrights, trademarks, patents and domain names in which the Company or any of its Subsidiaries purports to have an ownership interest. Such schedule will include the title of the mark, patent or domain name and, in the case of trademarks and service marks, the registration, certificate or issuance number (or application number with respect to pending applications) and the date registered or issued (or filed with respect to pending applications) and the identification of the particular entity which holds the interest.

(b) Except as set forth on Schedule 5.10(b):

(i) The Company Intellectual Property is owned free and clear of all Liens other than Permitted Exceptions and Intellectual Property Licenses.

(ii) The Company Intellectual Property is not the subject of any ownership, validity, use, or enforceability challenge or claim received by the Company or any of its Subsidiaries in writing or, to the Knowledge of the Company, any outstanding Order restricting the use by the Company or any of its Subsidiaries thereof or adversely affecting any of the rights of Company or any of its Subsidiaries thereto, except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect

(iii) Except where the failure would not reasonably be expected to be, individually or in the aggregate, material to Company or any of its Subsidiaries taken as a whole, Company and each of its Subsidiaries take and have taken reasonable measures, consistent with industry practice as of the date of this Agreement, to register, maintain and renew all trademarks, trade names, copyrights and service marks owned by each of the Company or any of its Subsidiaries that are included in the Company Intellectual Property.

(iv) Neither the Company nor any of its Subsidiaries has received any written notice of any default or any event that with notice or lapse of time, or both, would constitute a default under any Intellectual Property License to which the Company or any of its Subsidiaries is a party, except for defaults that

would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the Knowledge of the Company and its Subsidiaries, no Person is violating any Intellectual Property exclusively licensed to the Company or any of its Subsidiaries under an Intellectual Property License, except for violations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(v) The Company Intellectual Property and the conduct of the Businesses as currently conducted do not Infringe any Intellectual Property right of any Person in any way that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the Knowledge of Company and its Subsidiaries, no third Person is Infringing any Intellectual Property which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, except for Infringement arising from unauthorized copying (e.g., piracy and "bootlegging", peer-to-peer file sharing over the Internet and the like). No legal proceedings are pending or, to the Knowledge of the Company, Threatened that (i) assert that any Company Intellectual Property or any action taken by the Company and any of its Subsidiaries Infringes any Intellectual Property; or (ii) challenge the validity or enforceability of, or the rights of the Company and any of its Subsidiaries in, any Company Intellectual Property, which in each case of the foregoing clauses (i) and (ii) would reasonably be expected to be, individually or in the aggregate, material to the Company or any of its Subsidiaries taken as a whole. The consummation of the transactions contemplated hereby will not adversely affect any right or interest of the Company or any of its Subsidiaries in any Company Intellectual Property in any way which would be reasonably expected to be, individually or in the aggregate, material to the Company or any of its Subsidiaries, taken as a whole.

(vi) The Company and each of its Subsidiaries have used commercially reasonable efforts to protect the confidentiality of any material trade secrets and other material confidential and proprietary information.

5.11 Material Contracts.

(a) Schedule 5.11 sets forth all of the following Contracts to which the Company or any if its Subsidiaries is a party or by which it is bound or by which any of their properties or assets may be bound or affected (collectively, the "Material Contracts"):

(i) Contracts with any Affiliate or current or former officer or director of the Company or any of its Subsidiaries (other than Contracts made in the Ordinary Course of Business on terms generally available to similarly situated non-affiliated parties);

(ii) Contracts with any labor union or association representing any Employees of the Company or any of its Subsidiaries;

(iii) Contracts for the sale of any of the assets of the Business, other than in the Ordinary Course of Business;

(iv) Contracts relating to the acquisition by the Company or any of its Subsidiaries of any operating business or the capital stock of any other Person;

(v) Contracts providing for a license of any Intellectual Property, in each case for consideration in excess of One Hundred Thousand Dollars ($100,000);

(vi) other than Contracts identified in Section 5.11(a)(vii) below, Contracts providing for services provided by the Company or any of its Subsidiaries, in each case for consideration in excess of Two Hundred Thousand Dollars ($200,000) during 2011 or for which the Company or its Subsidiaries reasonably expects to receive consideration in excess of Two Hundred Thousand Dollars ($200,000) during 2012;

(vii) Contracts providing for services to any hotels, in each case for consideration in excess of Two Hundred Thousand Dollars ($200,000) during 2011 or for which the Company or its Subsidiaries reasonably expects to receive consideration in excess of Two Hundred Thousand Dollars ($200,000) during 2012;

(viii) Contracts with any advisors or other service providers on the Transactions, in each case for consideration in excess of One Hundred Thousand Dollars ($100,000);

(ix) other than contracts identified in Section 5.11(a)(viii) above, Contracts for the employment of any individual or consulting or other basis involving annual compensation in excess of One Hundred Thousand Dollars ($100,000);

(x) Contracts containing a covenant that restricts the Company or any its Subsidiaries from engaging in any line of business, conducting the Business in any geographic area, competing with any Person or hiring any Person;

(xi) Contracts relating to a partnership or joint venture of the Business, the Company or any of its Subsidiaries;

(xii) any agreement creating an indemnification obligation of the Company or any of its Subsidiaries, other than agreements entered into in the Ordinary Course of Business and other than engagement or advisor agreements entered into in connection with the restructuring of the Debtors;

(xiii) any agreement whereby any of the Company or any of its Subsidiaries provides a warranty with respect to its services rendered or its products sold or leased outside the Ordinary Course of Business;

(xiv) any stockholders agreement, registration rights agreement, voting agreement or other similar agreement to which the Company or any of its Subsidiaries is subject;

(xv) Contracts providing for severance, retention, change in control or similar payments;

(xvi) the Studio Contracts;

(xvii) Contracts relating to incurrence of Indebtedness or the making of any loans; or

(xviii) Contracts which involve the expenditure of more than Two Hundred Thousand Dollars ($200,000) in the aggregate and require performance by any Party more than one (1) year from the date hereof that, in either case, are not terminable by the Company or any of its Subsidiaries without penalty on less than one hundred eighty (180) days' notice, other than any Contracts identified elsewhere in this Section 5.11(b).

(b) Except as otherwise disclosed on Schedule 5.11 neither the Company nor any of its Subsidiaries (i) has received any written notice that it is in violation or breach of or in default under (nor does there exist any condition which together with the passage of time or the giving of notice would result in a violation or breach of, or constitute a default under, or give rise to any right of termination, amendment, cancellation, acceleration or loss of benefits under, or result in the creation of any Lien upon any of the properties or assets of any of the Company or any of its Subsidiaries under) any Contract if such Contract involves payments or expenditures by or to the Company or any of its Subsidiaries in excess of Fifty Thousand Dollars ($50,000), other than notices solely involving payment defaults and which are initially received by the Company during the six (6) month period immediately prior to the date hereof; or (ii) has otherwise failed to exercise an option under any Contract which may adversely impact the Company or any of the Subsidiaries' rights under a Contract. Each Material Contract is valid and binding in all respects upon, and enforceable against, the Company and/or applicable Subsidiary and, to the Knowledge of the Company, each other party thereto, and is in full force and effect. Except as set forth in Schedule 5.11, neither the Company nor any of its Subsidiaries has given notice to any other Person that such Person has breached, violated or defaulted under any Material Contract. To the Knowledge of the Company and its Subsidiaries, no other party to any Contract has alleged that the Company and/or any of the Subsidiaries is in violation or breach of or in default under any Contract or has notified the Company or any of the Subsidiaries of an intention to modify any material terms of or not to renew any Contract, except where such breach, default, modification or failure to renew is not reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect. Except as set forth in Schedule 5.11, as of the date hereof, (a) no third party under a Contract for the provision of services to hotels, hotel management agreements or agreements for the provision of services to other establishments, has notified the Company that it intends to (i) terminate such Contract during the term thereof as a result of the Company's default,

breach or otherwise or (ii) de-install the Company's equipment or otherwise not renew such Contract upon the expiration of the term thereof. Schedule 5.11(b) contains a true and complete list in all material respects of all hotels for which the Company has a Contract for the provision of services and such lists indicates the term of such Contract.

5.12 Employee Benefits.

(a) Schedule 5.12(a) lists all "employee benefit plans" (as defined in section 3(3) of and subject to ERISA) and all other material plans or agreements (other than governmental plans, statutorily required benefit arrangements and individual grant agreements) providing bonus, incentive compensation, deferred compensation, change in control, pension, welfare benefit, severance, sick leave, vacation pay, salary continuation, disability, life insurance, and educational assistance as to which the Company and its Subsidiaries have any Liability for current or former employees of the Company and its Subsidiaries (the "Employee Benefit Plans").

(b) True, correct and complete copies of the following documents, with respect to each of the material Employee Benefit Plans (as applicable), have been made available to Purchasers and the Purchaser Designees: (i) any plans and related trust documents, and all amendments thereto; (ii) the most recent Form 5500 and schedules thereto; (iii) the most recent financial statement and actuarial valuation; (iv) the most recent IRS determination letter; and (v) the most recent summary plan description (including letters or other documents updating such description).

(c) None of the Employee Benefit Plans is a "multiemployer plan" (as defined in Section 3(37) of ERISA) or is or has been subject to sections 4063 or 4064 of ERISA, or is subject to Title IV of ERISA.

(d) Each of the Employee Benefit Plans (other than any multiemployer plan) intended to qualify under section 401 of the Code has been determined by the IRS to be so qualified and, to the Knowledge of the Company, nothing has occurred with respect to the operation of any such plan which could reasonably be expected to result in the revocation of such favorable determination. None of the Company nor any of its Subsidiaries has engaged in any transaction that could subject the Company or any of its Subsidiaries to a Tax or penalty imposed by Section 4975 of the Code or Section 502(i) of ERISA.

(e) Except for non-compliance as may be required to comply with the Bankruptcy Code during the Bankruptcy Case, or in accordance with and following the effective date of the Plan, each of the Employee Benefit Plans has been administered in all material respects in compliance with its terms and all applicable Laws and, with respect to each such Employee Benefit Plan, (i) all employer and employee contributions required by Law or by the terms of the plan have been made, or, if applicable, accrued, in accordance with normal accounting practices; (ii) if they are intended to be funded and/or book-reserved, the fair market value of the assets of each funded plan, or the book reserve established for each plan, together with any accrued contributions, is sufficient to procure or provide for the accrued benefit obligations with respect to all current and

former participants in such plan according to the actuarial assumptions and valuations most recently used to account for such obligations in accordance with applicable generally accepted accounting principles; and (iii) it has been registered as required and has been maintained in good standing with applicable regulatory authorities.

(f) There are no judicial or governmental proceedings pending or, to the Knowledge of the Company, Threatened with respect to any Employee Benefit Plan other than claims for benefits thereunder in the ordinary course.

(g) Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (i) result in any payment becoming due to any Employee of the Company or any of its Subsidiaries; (ii) increase any benefits otherwise payable under any Employee Benefit Plan; or (iii) result in the acceleration of the time of payment or vesting of any such benefits, in each case, that would be required to be satisfied by Purchasers and the Purchaser Designees following the Closing.

5.13 Labor.

(a) Schedule 5.13(a) sets forth a list of each currently effective labor or collective bargaining agreement, works council or similar agreement to which the Company or any of its Subsidiaries is a party (the "Collective Bargaining Agreements").

(b) There are no (i) strikes, work stoppages, work slowdowns or lockouts pending or, to the Knowledge of the Company, Threatened against or involving the Company or any of its Subsidiaries; or (ii) unfair labor practice charges, grievances or complaints pending or, to the Knowledge of the Company, Threatened by or on behalf of any Employee or group of Employees of the Company or any of its Subsidiaries, except in each case as would not be reasonably likely to result in a Material Adverse Effect.

5.14 Litigation. Except as set forth on Schedule 5.14, and except for the Bankruptcy Case, there are no Legal Proceedings pending or, to the Knowledge of the Company, Threatened against the Company or any of its Subsidiaries before any Governmental Body which (i) if adversely determined, would be reasonably likely to result in damages in excess of Fifty Thousand Dollars ($50,000) or a Material Adverse Effect, or (ii) seeks to challenge or otherwise prevent the consummation of the Transactions, and no injunction has been entered or issued with respect to the Transactions. Neither the Company nor any of its Subsidiaries is subject to any Order of any Governmental Body except to the extent the same would not reasonably be expected to result in a Material Adverse Effect.

5.15 Compliance with Laws; Permits.

(a) The Company and its Subsidiaries are in compliance with all Laws applicable to their respective operations or assets or the Business, except where the failure to be in compliance would not be reasonably likely to result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has received any written notice of or been charged with the violation of any Laws, except where such violation would not be reasonably likely to result in a Material Adverse Effect.

(b) The Company and its Subsidiaries currently have all Permits which are required for the operation of the Business as presently conducted, except where the absence of which would not be reasonably likely to result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) of any term, condition or provision of any Permit to which it is a party, except where such default or violation would not be reasonably likely to result in a Material Adverse Effect.

5.16 Environmental Matters. The representations and warranties contained in this Section 5.16 are the sole and exclusive representations and warranties of the Company pertaining or relating to any environmental, health or safety matters, including any arising under any Environmental Laws. Except as would not be reasonably likely to result in a Material Adverse Effect:

(a) the operations of the Company and its Subsidiaries are in compliance with all applicable Environmental Laws and all Permits issued pursuant to Environmental Laws or otherwise;

(b) the Company and each of its Subsidiaries has obtained all Permits required under all applicable Environmental Laws necessary to operate its business;

(c) neither the Company nor any of its Subsidiaries is the subject of any outstanding Order or Contract with any Governmental Body respecting Environmental Laws, including any Remedial Action or any Release or threatened Release of a Hazardous Material;

(d) neither the Company nor any of its Subsidiaries has received any written communication alleging either or both that the Company or any of its Subsidiaries may (i) be in violation of any Environmental Law, or any Permit issued pursuant to Environmental Law; or (ii) have any liability under any Environmental Law; and

(e) to the Knowledge of the Company, there are no investigations of the Business, or currently or previously owned, operated or leased property of the Company or any of its Subsidiaries pending or Threatened which would reasonably be expected to result in the imposition of any material liability pursuant to any Environmental Law.

5.17 Accounts and Notes Receivable and Payable.

(a) All accounts and notes receivable of the Company and its Subsidiaries have arisen from bona fide transactions in the Ordinary Course of Business consistent with past practice and are payable on ordinary trade terms, are properly reflected on the Company's and the Subsidiaries' books and records and properly reserved for with respect to doubtful accounts, all in accordance with GAAP.

(b) All accounts payable of the Company and its Subsidiaries reflected in the Company balance sheets or arising after the date thereof are the result of bona fide transactions in the Ordinary Course of Business.

5.18 Financial Advisors. Except for, FTI Consulting, Inc., Miller Buckfire & Co., LLC, J.P. Morgan Securities LLC and Moorgate Partners LLP, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for the Company or any of its Subsidiaries in connection with the Transactions and no Person is entitled to any fee or commission or like payment from Purchasers or the Purchaser Designees in respect thereof.

5.19 Disclosure. The Company has disclosed to Purchasers and the Purchaser Designees all matters known to it that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The information furnished by the Company to Purchasers and the Purchaser Designees in connection with the transactions contemplated hereby and the negotiation of this Agreement, taken as a whole, does not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein not misleading.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF CCL AND PURCHASERS

6.1 Representations and Warranties of Purchasers. Each Purchaser, solely on behalf of itself and not with respect to any other Purchaser or any Purchaser Designee, hereby represents and warrants to the Company as follows:

(a) Organization and Good Standing. Purchaser is duly organized, validly existing and in good standing under the Laws of its state of formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

(b) Authorization of Agreement. Purchaser has all requisite power, authority and legal capacity to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Purchaser in connection with the consummation of the Transactions (the "Purchaser Documents"), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Purchaser of this Agreement and the Purchaser Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on behalf of Purchaser. This Agreement has been, and each Purchaser Document will be at or prior to the Closing, duly executed and delivered by Purchaser to the extent they are a party thereto and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered will constitute, a legal, valid and binding obligation of Purchaser, enforceable against Purchaser to the extent they are a party thereto in accordance with their respective

terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at Law or in equity).

(c) Conflicts; Consents of Third Parties.

(i) None of the execution and delivery by Purchaser of this Agreement or the Purchaser Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by Purchaser with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of Purchaser, (ii) any Contract of Permit to which Purchaser is a party or by which Purchaser is bound or (iii) any Order of any Governmental Body applicable to Purchaser or any of its properties or assets or any applicable Law, in any case, other than, such conflicts, violations, defaults, terminations or cancellations that would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions.

(ii) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Purchaser in connection with the execution and delivery of this Agreement or the Purchaser Documents, the compliance by Purchaser with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by Purchaser of any other action contemplated hereby or thereby, except for compliance with the Confirmation Order and such other consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications, the failure of which to obtain or make would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions.

(d) Litigation. There are no Legal Proceedings pending or, to the knowledge of the executive officers of the managing member of Purchaser, threatened against Purchaser, or to which Purchaser is otherwise a party before any Governmental Body, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions. Purchaser is not subject to any Order of any Governmental Body except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of Purchaser to perform its obligations under this Agreement or to consummate the Transactions.

(e) Financial Advisors. Except for Guggenheim Securities, LLC, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for

Purchaser in connection with the Transactions and no Person is entitled to any fee or commission or like payment in respect thereof.

(f) Investment Intention. Purchaser and/or the Purchaser Designee(s) is acquiring the shares of Common Stock and the Warrants for their respective own account, for investment purposes only and not with a view to the distribution (as such term is used in Section 2(a)(11) of the Securities Act of 1933, as amended (the "Securities Act") thereof. Purchaser understands that the Warrants have not been registered under the Securities Act and cannot be sold unless subsequently registered under the Securities Act or an exemption from such registration is available.

6.2 Representations and Warranties of CCL. CCL hereby represents and warrants to the Company as follows:

(a) Organization and Good Standing. CCL is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

(b) Authorization of Agreement. CCL has all requisite power, authority and legal capacity to execute and deliver this Agreement or any Purchaser Documents, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by CCL of this Agreement and the Purchaser Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on behalf of CCL, as applicable. This Agreement has been, and each Purchaser Document will be at or prior to the Closing, duly executed and delivered by CCL to the extent it is a party thereto and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered will constitute, a legal, valid and binding obligation of CCL, enforceable against CCL to the extent it is a party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at Law or in equity).

(c) Conflicts; Consents of Third Parties.

(i) None of the execution and delivery by CCL of this Agreement or the Purchaser Documents to which it is a party, the consummation of the transactions contemplated hereby or thereby, or the compliance by CCL with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of CCL, (ii) any Contract of Permit to which CCL is a party or by which CCL is bound, or (iii) any Order of any Governmental Body applicable to CCL or any of their respective properties or assets or any applicable

Law, other than, in any case, such conflicts, violations, defaults, terminations or cancellations that would not reasonably be expected to have a material adverse effect on the ability of CCL to perform its obligations under this Agreement or to consummate the Transactions.

(ii) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of CCL in connection with the execution and delivery of this Agreement or the Purchaser Documents, the compliance by CCL with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by CCL of any other action contemplated hereby or thereby, except for compliance with the Confirmation Order and such other consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications, the failure of which to obtain or make would not be reasonably be expected to have a material adverse effect on the ability of CCL to perform its obligations under this Agreement.

(d) Litigation. There are no Legal Proceedings pending or, to the knowledge of CCL, threatened against CCL, or to which CCL is otherwise a party before any Governmental Body, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of CCL to perform its obligations under this Agreement. CCL is not subject to any Order of any Governmental Body except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of CCL to perform its obligations under this Agreement.

(e) Financial Advisors. Except for Guggenheim Securities, LLC, no Person has acted, directly or indirectly, as a broker, finder or financial advisor for CCL in connection with the Transactions and no Person is entitled to any fee or commission or like payment in respect thereof.

(f) Financial Capability. CCL has the financial capacity to guarantee the obligation of Col-L Acquisition to pay its Pro Rata Share of the Base Purchase Price, at Closing upon satisfaction of the conditions set forth in ARTICLE X , in accordance with this Agreement.

ARTICLE VII

BANKRUPTCY COURT MATTERS

7.1 Intentionally Left Blank.

7.2 Bankruptcy Court Filings.

(a) The Company agrees to support and use its commercially reasonable efforts, and agrees to cause the Subsidiary Debtors to use their respective commercially reasonable efforts, to consummate the Transactions, to timely and properly solicit acceptances for and confirmation of the Plan, to prosecute the Bankruptcy Case and, without limitation to the foregoing, to take the following actions:

(i) file with the Bankruptcy Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code on or prior to (x) forty (40) calendar days after the date hereof;

(ii) file and seek Bankruptcy Court orders approving all customary and otherwise necessary "first day" motions;

(iii) file the Plan and the Disclosure Statement on the Petition Date;

(iv) take such actions as may be reasonably necessary or appropriate to cause each of the Orders it seeks with the consent, to the extent required herein, of, or at the request of, Purchaser Representative, and the Confirmation Order, to be issued, entered and become final;

(v) prosecute each appeal, petition or motion in the Bankruptcy Case to the extent the failure to take such action would be inconsistent with the terms of this Agreement, the Confirmation Order or the Plan;

(vi) move to assume or reject all executory contracts and unexpired leases to which it is a party or by which it is bound (with such assumption or rejection to be effective on the Closing Date), as directed by Purchaser Representative in its sole and absolute discretion; and

(vii) not waive any provision of, or amend, the Plan Support Agreement without Purchaser Representative's consent, or otherwise take any action that would permit the Consenting Lenders to terminate the Plan Support Agreement.

(b) Each Purchaser and Purchaser Designee agrees that it will promptly take such actions as are reasonably requested by the Company to assist in obtaining the Confirmation Order and a finding of adequate assurance of future performance by Purchasers and the Purchaser Designees, including making witnesses available to testify and furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Purchasers and the Purchaser Designees under this Agreement (other than information subject to confidentiality restrictions). In the event the Confirmation Order shall be appealed, the Company shall use its commercially reasonable efforts to defend such appeal. The Parties will work together in good faith to obtain appropriate protective orders with respect to any information deemed to be commercially sensitive.

(c) The Company shall provide appropriate notice in connection with the Bankruptcy Case to all parties in interest of the Plan, including all parties to any Contracts with the Company or any Subsidiary Debtor and all Taxing and environmental authorities in jurisdictions applicable to the Debtors, and any other parties to whom Purchaser Representative asks the Company to provide notice ("Interested Persons"). On the Business Day following the entry of any order sought in connection with a motion

filed on the Petition Date, establishing the procedures for parties providing notice of proposed cure amounts to parties to executory contacts and unexpired leases and a deadline for objections and responses thereto, the Company shall serve a cure notice (the "Cure Notice") by first class mail on all non-debtor counterparties to all executory contracts and unexpired leases to which any Debtor is a party or by which any of their properties are bound, in form and substance satisfactory to Purchaser Representative. The Cure Notice shall inform each recipient that its respective executory contract or unexpired lease may be designated by Company as either assumed or rejected, and the timing and procedures relating to such designation, and, to the extent applicable (i) the title of the executory contract or unexpired lease, (ii) the name of the counterparty to the executory contract or unexpired lease, (iii) the Company's good faith estimates of the cure amounts required in connection with such Contract, (iv) the identity of Purchasers and the Purchaser Designees and (v) the deadline of not more than fifteen (15) calendar days by which any such Contract counterparty may file an objection to the proposed assumption and assignment and/or cure, and the procedures relating thereto. Purchaser Representative shall have the right to direct which executory contracts and unexpired leases shall be assumed or rejected by the Company or any of its Subsidiaries, and the Company shall take all action necessary to effect such choices and shall consult with Purchaser Representative, and shall permit Purchaser Representative to participate in any negotiation, regarding the resolution of any such assumption or rejection with any counterparty to an executory contract or unexpired lease. The Company shall file a motion on the Petition Date seeking entry of an order that provides that counterparties to executory contracts or unexpired leases that do not object within 15 days of the notice from the Company to the assumption of their contract or the proposed cure amount shall be deemed to have assented to (i) the cure amount proposed by the Company of its Subsidiaries and (ii) the assumption of the applicable executory contract or unexpired lease, notwithstanding any provision of such contract that (a) prohibits, restricts or conditions the transfer or assignment of such contract or (b) terminates or permits the termination of a contract as a result of any direct or indirect transfer or assignment of the rights of the Company of its Subsidiaries under such contract or a change in the ownership or control of the Company contemplated by the Plan, and shall forever be barred and enjoined from asserting such objection against the Company of its Subsidiaries or terminated or modifying such contract on account of transactions contemplated by the Plan.

(d) The Company shall not seek, nor shall it permit any Subsidiary Debtor to seek, (i) any modification to the Confirmation Order by the Bankruptcy Court or any other court of competent jurisdiction, in each case, without the prior written consent of Purchaser Representative or (ii) any supplement to the plan (a "Plan Supplement") which is inconsistent with any of this Agreement, the Plan, or the Confirmation Order.

(e) Subject to Section 8.11, (i) Purchaser Representative and the Company will not (and the Company shall cause its Subsidiaries to not) propose, agree to, consent to, provide any support to, or participate, directly or indirectly, in the formulation of any modification of the Plan, unless such modification has been agreed to by Purchaser Representative, (ii) each of Purchaser Representative and the Company will

not (and the Company shall cause it Subsidiaries to not) propose, agree to, consent to, provide any support to, or participate, directly or indirectly, in the formulation of any other plan in the Bankruptcy Case other than the Plan, and (iii) each of Purchaser Representative and the Company further agree that it will not (and the Company shall cause the Subsidiary Debtors to not) commence or support any proceeding, or any other Person's effort, to oppose or alter any of the terms of this Agreement, the Plan or any Reorganization Document, and will not take any action, directly or indirectly, that is inconsistent with, or that would prevent, delay or impede approval or confirmation of the Plan or any Reorganization Document. Without limiting the generality of the foregoing and except pursuant to Section 8.11, each of Purchaser Representative and the Company agrees that it will not (and Company shall cause the Subsidiary Debtors to not) directly or indirectly seek, solicit, support or encourage any other plan, sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger or restructuring of Company or any of the Subsidiary Debtors that could reasonably be expected to prevent, delay or impede the confirmation or approval of the Plan or any Reorganization Document.

ARTICLE VIII

COVENANTS

8.1 Access to Information and Personnel. The Company agrees that, prior to the Closing Date, Purchasers and the Purchaser Designees shall be entitled, through their respective officers, employees and representatives (including its legal advisors and accountants), to make such investigation of the personnel and properties, Contracts, commitments, businesses and operations of the Business and such examination of the books and records of the Business and such other additional accounting, financing, operating and other data and information regarding the Company and its Subsidiaries as any Purchaser or Purchaser Designee may reasonably request and to make extracts and copies of such books and records. Any such investigation and examination shall be conducted during regular business hours upon reasonable advance notice and under reasonable circumstances and shall be subject to restrictions under applicable Law. No information or knowledge obtained in any investigation pursuant to this Section 8.1 shall affect or be deemed to modify any representation or warranty contained herein or the conditions to the obligations of the parties to consummate the transactions contemplated herein. The Company shall cause the officers, employees, consultants, agents, accountants, attorneys and other representatives of the Company and its Subsidiaries to cooperate with each Purchaser, Purchaser Designee and their respective representatives in connection with such investigation and examination, and each Purchaser, Purchaser Designee and their respective representatives shall cooperate with the Company and its representatives and shall use their reasonable efforts to minimize any disruption to the Business. Notwithstanding anything herein to the contrary, no such investigation or examination shall be permitted to the extent that it would require the Company or any of its Subsidiaries to disclose information subject to attorney-client privilege or conflict with any confidentiality obligations to which the Company or any of its Subsidiaries is bound.

8.2 Conduct of the Business Pending the Closing.

(a) Prior to the Closing, except (1) as set forth on Schedule 8.2(a); (2) as required by applicable Law or by Order of the Bankruptcy Court; (3) as otherwise expressly contemplated by this Agreement; or (4) with the prior written consent of Purchaser Representative, the Company shall, and shall cause each of its Subsidiaries to:

(i) conduct the Business only in the Ordinary Course of Business; provided, however, that the Company may not take any of the actions set forth in Section 8.2(b) without the prior written consent of Purchaser Representative or as required by applicable Law or by Order of the Bankruptcy Court, regardless of whether such action is in the Ordinary Course of Business, except as set forth on Schedule 8.2(b);

(ii) observe and comply in all material respects with all requirements under applicable Laws, including the Exchange Act and continue to satisfy all reporting obligations under the Exchange Act; and

(iii) use its commercially reasonable efforts to preserve the present (A) business operations, organization and goodwill of the Business, and (B) relationships with employees, customers and suppliers of the Company and its Subsidiaries.

(b) Except (1) as set forth on Schedule 8.2(b)(1) (solely with respect to the column labeled "Already Committed/Approved to Spend"), Schedule 8.2(b)(2) or Schedule 8.2(b)(3) (solely in the Ordinary Course of Business and, to the extent an amount is set forth on any applicable portion of such Schedule with respect to any item, up to such amount); (2) as required by applicable Law (provided, that any Law or Order of the Bankruptcy Court that permits but does not require the Company or any of its Subsidiaries to make a payment shall not be deemed to be required to be paid); (3) as otherwise expressly contemplated by this Agreement (other than in Section 8.2(a)); or (4) with the prior written consent of Purchaser Representative, the Company shall not, and shall not permit its Subsidiaries to:

(i) (1) make any individual payment or expenditure or series of related payments or expenditures, including pursuant to a Contract pursuant to which the total amount required to be paid by the Company or one or more of its Subsidiaries on one or more dates, or incur any Liability or Indebtedness under any existing Contract of the Company or any of its Subsidiaries in an amount in excess of One Hundred Thousand Dollars ($100,000), provided that the Company shall not be permitted to make any payment even if less than the amount set forth above if such payment is of the type that is set forth on Schedule 8.2(b)(1)(capital expenditure schedule) or 8.2(b)(2)(employee hires) (other than payment of normal salary on the regularly scheduled payroll dates in the Ordinary Course of Business) or (2) make any new agreement or enter into any new Contract requiring any payment or expenditure or incur any Liability or Indebtedness on behalf of the Company or any of its Subsidiaries in an amount in excess of Twenty-Five Thousand Dollars ($25,000), provided that the Company shall not

enter into any new Contract with respect to a capital expenditure or hiring of any employee regardless of the amount of such Contract or agreement;

(ii) (A) increase the annual level of compensation of any Employee, (B) grant any unusual or extraordinary additional compensation to any Employee, (C) increase the coverage or benefits available under any Employee Benefit Plan, (D) enter into any employment, deferred compensation, severance or similar agreement (or amend any such agreement) to which the Company or any of its Subsidiaries is a party with an Employee of the Company or any of its Subsidiaries whether express or implied; (E) take any action to accelerate the vesting or payment, or fund or in any other way secure the payment, of compensation or benefits under any Employee Benefit Plan, to the extent not already provided in any such Employee Benefit Plan, (F) change any actuarial or other assumptions used to calculate funding obligations with respect to any Employee Benefit Plan or to change the manner in which contributions to such plans are made or the basis on which contributions to such plans are made or the basis on which such contributions are determined, except as may be required by GAAP, (G) forgive any loans to directors, officers or employees of the Company or any of its Subsidiaries or (H) hire any new Employee;

(iii) acquire any material properties or assets or sell, assign, license, transfer, convey, lease or otherwise dispose of any material assets (except pursuant to an existing Contract in the Ordinary Course of Business);

(iv) cancel or compromise any material debt or claim or waive or release any material right of the Company or any of its Subsidiaries;

(v) enter into, modify or terminate any labor or collective bargaining agreement;

(vi) repurchase, redeem or otherwise acquire, or grant any rights or enter into any Contracts or commitments to repurchase, redeem or acquire, any outstanding shares of capital stock or other securities of, or other ownership interests in, the Company or any of its Subsidiaries, or declare, set aside, make or pay any dividend or other distribution with respect to its capital stock or other securities or ownership interests;

(vii) issue or sell any shares of capital stock or other securities of the Company or any of its Subsidiaries or grant options, warrants, calls or other rights to purchase shares of capital stock or other securities of the Company or any of its Subsidiaries, except as expressly contemplated herein or in the Plan;

(viii) amend the certificate of incorporation or bylaws or comparable organizational document of the Company or any of its Subsidiaries, except as expressly contemplated herein or in the Plan;

(ix) effect any recapitalization, reclassification or like change in the capitalization of the Company or any of its Subsidiaries;

(x) enter into or agree to enter into any merger or consolidation with any corporation or other entity or invest in, make a loan, advance other than in the Ordinary Course of Business or capital contribution to, or otherwise acquire the securities of any other Person;

(xi) fail to use commercially reasonable efforts to maintain present insurance policies or other comparable insurance benefiting the assets of the Company or any of its Subsidiaries and the conduct of their respective Businesses;

(xii) (A) make, change or rescind any material election relating to Taxes, (B) settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes, (C) make any material change to any of its methods of accounting for Tax purposes from those employed in the preparation of its most recent Tax Returns, (D) enter into any agreement to share or pay any Taxes of another Person (other than to customers, clients, or vendors in the Ordinary Course of Business), or (E) agree to an extension or waiver of the statute of limitations applicable to the assessment or collection of any material Taxes (other than pursuant to an extension of time to file a Tax return obtained in the Ordinary Course of Business);

(xiii) create, incur or subject any of its assets to any Lien, except for Permitted Exceptions;

(xiv) except as set forth on Schedule 8.2(b)(xiv), enter into, amend, supplement, waive, modify, terminate, or cancel (A) any Material Contract in any material respect, or (B) any Contract that is not a Material Contract, other than in the Ordinary Course of Business;

(xv) designate any executory contract or unexpired lease for rejection;

(xvi) make any material change to any of its methods of accounting;

(xvii) permit any material Intellectual Property that is subject to a registration or an application for registration (unless the Company has made a reasonable determination that such Intellectual Property has no value or has nominal value) to lapse, be abandoned or canceled, expire or terminate, or fail to make any payments with respect thereto when due; provided, however, that neither the expiration of a patent on its scheduled expiration date nor the abandonment of an application for registration of a trademark in connection with a third party opposition proceeding, which the applicant, in its reasonable business judgment, has determined it would be unlikely to prevail, shall be deemed a breach of the foregoing;

(xviii) enter into, create, incur or assume any obligations, or enter into any agreement, in any case with any Affiliates of the Company; or

(xix) enter into any Contract, arrangement or understanding, or agree, in writing or otherwise, to take any of the actions described in this Section 8.2 or any action that would make any of the representations or warranties of the Company in this Agreement untrue or incorrect in any material respect or prevent the Company from performing or cause the Company not to perform their covenants hereunder or under the Transaction documents to which it is a party.

8.3 Consents. The Company shall use its commercially reasonable efforts, and each Purchaser and each Purchaser Designee shall use commercially reasonable efforts to cooperate with the Company, to obtain at the earliest practicable date (a) all consents, approvals and waivers required from third Persons to consummate the Transactions, and (b) actions or nonactions, waivers, consents and approvals required to be obtained by such party from Governmental Body (including using commercially reasonable efforts to make all necessary registrations and filings and to take all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Body), including the consents, approvals and waivers referred to in Section 5.4(b); provided, however, that neither the Company nor Purchasers or the Purchaser Designees shall be obligated to pay any consideration therefor to any third party from whom consent or approval is requested.

8.4 Regulatory Approvals.

(a) If necessary, Purchasers, the Purchaser Designees and the Company shall (i) make or cause to be made all filings required of each of them or any of their respective Subsidiaries or Affiliates under the HSR Act or other Antitrust Laws with respect to the Transactions as promptly as practicable and, in any event, within ten (10) Business Days after the date of this Agreement in the case of all filings required under the HSR Act and within four (4) weeks in the case of all other filings required by other Antitrust Laws, (ii) use commercially reasonable efforts to comply at the earliest practicable date with any request under the HSR Act or other Antitrust Laws for additional information, documents, or other materials received by each of them or any of their respective Subsidiaries from the Federal Trade Commission (the "FTC"), the Antitrust Division of the United States Department of Justice (the "Antitrust Division") or any other Governmental Body in respect of such filings or such Transactions, and (iii) cooperate with each other in connection with any such filing (including, to the extent permitted by applicable Law, providing copies of all such documents to the non-filing Parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any of the FTC, the Antitrust Division or other Governmental Body under any Antitrust Laws with respect to any such filing or the Transactions. Each such Party shall furnish to each other such necessary information and assistance as such other Party and its Affiliates may reasonably request in connection with their preparation of any application or other filing to be made pursuant to any applicable Law in connection with the Transactions. Each Party shall promptly inform the other Parties of any oral communication with, and provide copies of written communications with, any Governmental Body regarding any such filings or the Transactions. No Party shall independently participate in any formal meeting relating to the Antitrust Laws with any

Governmental Body in respect of any such filings, investigation, or other inquiry without giving the other Parties prior notice of the meeting and, to the extent permitted by such Governmental Body, the opportunity to attend and/or participate. Subject to applicable Law, the Parties will consult and cooperate with one another in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any Party relating to proceedings under the HSR Act or other Antitrust Laws and the Company shall consider in good faith the views of Purchaser Representative in connection with any proposed written communication to any Governmental Body relating to such matters.

(b) Purchasers, the Purchaser Designees and the Company shall use their commercially reasonable efforts to resolve such objections, if any, as may be asserted by any Governmental Body with respect to the Transactions under the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other United States federal or state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other Laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade (collectively, the "Antitrust Laws"). In connection therewith, if any Legal Proceeding is instituted (or Threatened to be instituted) challenging any of the Transactions as being in violation of any Antitrust Law, at the request of the Company, Purchasers and the Purchaser Designees shall use its commercially reasonable efforts to cooperate with the Company and contest and resist any such Legal Proceeding, and to have vacated, lifted, reversed, or overturned any decree, judgment, injunction or other order whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents, or restricts consummation of the Transactions.

(c) Purchasers, the Purchaser Designees and the Company shall use their commercially reasonable efforts to take such action as may be required to cause the expiration of the notice periods under the HSR Act or other Antitrust Laws with respect to the Transactions as promptly as possible after the execution of this Agreement. In furtherance and not in limitation of the covenants of the parties contained in this Section 8.4, each of the Parties shall use its commercially reasonable efforts to resolve such objections, if any, as may be asserted by a Governmental Body or other Person with respect to the Transactions so as to enable the Parties to close the Transactions as expeditiously as possible.

8.5 Further Assurances. The Company and each of Purchasers and Purchaser Designees shall use its commercially reasonable efforts to: (a) take all actions necessary to consummate the Transactions on the terms set forth herein, the Confirmation Order and the Plan, and to exempt the Transactions from the provisions of any Contract or Law that would impose any material burden or restriction on the Company or its Subsidiaries after the Closing or make more burdensome the effectuation of the Transactions; (b) cause the fulfillment at the earliest practicable date of all of the conditions to, with respect to each Purchaser's, each Purchaser Designee's and the Company's obligations to consummate the Transactions, and with respect to the Company's, each Purchaser's and each Purchaser Designee's obligations to consummate the Transactions; (c) defend any

lawsuits or other legal proceedings, whether judicial or administrative, against it challenging this Agreement or the consummation of the Transactions; and (d) execute and deliver any additional instruments reasonably requested by the other Party for the purpose of consummating the Transactions.

8.6 Confidentiality. Each Purchaser and Purchaser Designee acknowledges that the Evaluation Material (as defined in the Confidentiality Agreement) provided to it in connection with this Agreement, including under Section 8.1, and the consummation of the Transactions, is subject to the terms of the confidentiality agreement by and among the Company, Colony Capital Acquisitions, LLC and Manhattan Pacific Partners, LLC, dated as of April 18, 2011 (the "Confidentiality Agreement"), the terms of which are incorporated herein by reference. The Company and each Purchaser and Purchaser Designee shall, if initially a party thereto, continue to be bound by the terms of the Confidentiality Agreement and, if not initially a party thereto, observe and perform the obligations of Colony Capital Acquisitions, LLC thereunder as if such Purchaser or Purchaser Designee were initially a party thereto.

8.7 Indemnification and Exculpation.

(a) Each Purchaser and Purchaser Designee agrees that all rights of the individuals who on or prior to the Closing Date were directors or officers of the Company or any of its Subsidiaries (collectively, the "Indemnitees") to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Closing Date as provided in the certificate of incorporation, bylaws, or comparable organizational documents of the Company or any of its Subsidiaries, as applicable, as now in effect, and any indemnification agreements or arrangements of the Company or any of its Subsidiaries, shall survive the Closing Date and shall continue in full force and effect in accordance with their terms. Such rights shall not be amended, or otherwise modified in any manner that would adversely affect the rights of the Indemnitees, unless such modification is required by Law.

(b) The provisions of this Section 8.7 (i) are intended to be for the benefit of, and shall be enforceable by, each Indemnitee, his or her heirs and his or her representatives and (ii) are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have by Contract or otherwise. The obligations of Purchasers and the Purchaser Designees under this Section 8.7 shall not be terminated or modified in such a manner as to adversely affect any Indemnitee to whom this Section 8.7 applies without the consent of the affected Indemnitee (it being expressly agreed that the Indemnitees to whom this Section 8.7 applies shall be third party beneficiaries of this Section 8.7).

8.8 Publicity. Neither the Company nor any Purchaser or Purchaser Designee shall issue any press release or public announcement concerning this Agreement or the Transactions without obtaining the prior written approval of the other Party (which approval will not be unreasonably withheld, delayed or conditioned) unless disclosure is required by applicable Law or by order of the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement; provided that the

Party intending to make such release shall use its commercially reasonable efforts consistent with such applicable Law or order of the Bankruptcy Court to consult with the other Party with respect to the text thereof and to provide reasonable prior notice thereof.

8.9 Guarantee. Subject to the limitations set forth herein, CCL hereby guarantees (a) the obligation of Col-L Acquisition, upon the satisfaction of all of the conditions set forth in ARTICLE X, to pay its Pro Rata Share of the Base Purchase Price in accordance with this Agreement, subject to the terms and conditions set forth herein and (b) if judicially determined that Col-L Acquisition has defaulted hereunder in its obligation to pay to the Company an amount in cash equal to the Commitment Fee pursuant to Section 4.4 in accordance herewith, the obligation of Col-L Acquisition to pay an amount in cash equal to the Commitment Fee to the Company in accordance with Section 4.4; provided, however, that in no event shall such guarantee obligation exceed Twenty Million Dollars ($20,000,000); provided, further, however, that, for clarity, this guarantee shall not apply to the obligation of any other Purchaser to pay its Pro Rata Share of the Base Purchase Price or the obligation of any Purchaser Designee to pay its Designee Purchase Price Amount.

8.10 Certain Notifications.

(a) The Company shall:

(i) promptly notify Purchaser Representative, in writing of the occurrence of (A) any circumstance or event that will result in, or would reasonably be expected to result in, the failure of any of the closing conditions specified in Section 10.1 or Section 10.3 to be satisfied, (B) any Material Adverse Effect and (C) any Legal Proceedings pending or threatened by any stockholder of the Company in connection with this Agreement or any of the Transactions;

(ii) promptly forward to Purchaser Representative, at least three (3) Business Days in advance of filing or execution (as applicable), drafts, for Purchaser Representative's review and comment, of (A) memoranda of law and declarations/affidavits regarding the Plan or the Disclosure Statement; (B) the schedules and statements of financial affairs of the Company and the Subsidiary Debtors, if any; (C) all other pleadings, motions, proposed orders, statements, schedules, applications, reports, declarations, affidavits, exhibits and other papers that the Company or the Subsidiary Debtors intend to file in the Bankruptcy Case that relate to this Agreement, the Transaction, the Plan (including the solicitation or confirmation thereof), or in any manner relate to or affect the Transactions; consult with Purchasers and the Purchaser Designees in good faith with respect to any comments it provides and unless such comments would be inconsistent with this Agreement or the Plan, use reasonable efforts to include them; provided, however, that in the case of the emergency filing of any document listed in subclause (C) of this Section 8.10(a)(ii) the Company shall not be required to the extent not practical to provide three (3) Business Days' advance notice but shall forward drafts to Purchaser Representative so as to provide Purchaser Representative advance notice for review and reasonable comment;

(iii) (A) consult with Purchaser Representative, with respect to any pleadings or other papers it intends to file with the Bankruptcy Court in connection with, or that might reasonably affect the Confirmation Order, (B) promptly forward to Purchaser Representative as soon as practicable drafts of (I) any proposed amendment, modification, supplement, or exhibit to the Disclosure Statement, (II) amendments to the Plan, (III) supplemental Plan documents (including, any schedule related to the assumption or rejection of executory Contracts and any notice to Interested Persons sent pursuant to Section 7.2(c)), (IV) the Confirmation Order, (V) the stipulation providing for use of cash collateral by the Company and the Subsidiary Debtors and related pleadings, (VI) any postpetition financing agreement and related documents and pleadings, (VII) any motion it files in the Bankruptcy Case (to the extent such motion would have any adverse effect on Purchasers, the Purchaser Designees, the Company or any of its Subsidiaries after Closing, the Transactions, or the likelihood of satisfaction of the conditions to the Purchasers' and the Purchaser Designee's obligations hereunder) and (VIII) any exit financing facility agreement and related documents, and (C) consider in good faith any comments provided by Purchaser Representative prior to filing or execution of the final forms of documents listed in this Section 8.10(a)(iii) and unless such comments would be inconsistent with this Agreement or the Plan, use reasonable efforts to include them; it being understood that no approval of the documents listed in this Section 8.10(a)(iii) shall be sought without the prior consent of Purchaser Representative and no notices to Interested Persons or Cure Notices shall be filed without the prior consent of Purchaser Representative; and

(iv) promptly forward to Purchaser Representative a copy (unless already served on Purchaser Representative's counsel) of any notice, application, motion, objection, response, proposed order or other documents or pleadings filed with a court or regulatory agency and received by the Company relating in any way to this Agreement or the Transactions, other than any filing on the docket of the Bankruptcy Court.

(b) Each Purchaser and Purchaser Designee shall:

(i) promptly notify the Company in writing of the occurrence of (A) any circumstance or event that will result in, or would reasonably be expected to result in, the failure of any of the closing conditions specified in Section 10.2 and Section 10.3 to be satisfied and (B) any material adverse effect on the ability of CCL or any Purchaser or Purchaser Designee to perform its obligations under this Agreement or to consummate the Transactions; and

(ii) promptly forward to the Company at least three (3) Business Days in advance of filing or execution (as applicable) drafts, for the Company's review and reasonable comment, of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that such Purchaser or Purchaser Designee and/or any of their respective Affiliates intend to file in the Bankruptcy Case that relate to this Agreement, the Transactions, the Plan

(including the solicitation or confirmation thereof), the Company or any of its Subsidiaries, or in any manner relate to or affect the Transactions; consult with the Company in good faith with respect to any comments it provides and unless such comments would be inconsistent with this Agreement or the Plan, use reasonable efforts to include them; provided, however, that in the case of the emergency filing of any document listed in this Section 8.10(b)(ii), such Purchaser or Purchaser Designee shall not be required to the extent not practical to provide three (3) Business Days' advance notice but shall use commercially reasonable efforts to forward (to the extent possible) drafts to the Company so as to provide the Company advance notice for review and reasonable comment.

8.11 No Shop.

(a) The Company shall, and shall cause its Subsidiaries and its and each of their respective Representatives to, immediately cease and cause to be terminated any discussions or negotiations or processes (including access to any data rooms) with any parties (other than Purchasers and the Purchaser Designees) that may be ongoing with respect to, or that are intended by the Company or its Representatives to or would be reasonably expected by the Company or its Representatives to lead to, an Acquisition Proposal (a "Competing Proposal"). The Company shall not, and shall cause its Subsidiaries and its and their respective Representatives (to the extent within their control) not to, directly or indirectly, (i) solicit, initiate, propose or take any other action that would be reasonably expected to facilitate any Competing Proposal; (ii) enter into any agreement, arrangement or understanding with respect to any Competing Proposal (including any letter of intent or agreement in principle); (iii) initiate or participate in any way in any negotiations or discussions regarding a Competing Proposal; or (iv) furnish or disclose to any third Person any information with respect to, or which would be reasonably expected to lead to, any Competing Proposal; provided, that the Company and its Representatives may in any event ask a Person who has submitted on an unsolicited basis a proposal that could constitute a Competing Proposal to clarify the terms and conditions of any proposal made by such Person and to determine whether such proposal constitutes or could reasonably be expected to lead to a Superior Proposal.

(b) From and after the date hereof, in the event that the Company or any of its Subsidiaries or Representatives receives any of the following, the Company shall promptly (but not more than two (2) Business Days after such receipt) notify Purchaser Representative, thereof: (i) any Competing Proposal (and provide the material terms and conditions thereof); (ii) any request for non-public information relating to the Company or any of its Subsidiaries in respect of a Competing Proposal; or (iii) any inquiry or request for discussions or negotiations regarding any Competing Proposal. Without limitation of Section 8.11(a), following the date hereof, the Company shall keep Purchaser Representative informed on a current basis (and in any event no later than two (2) Business Days after the occurrence of any significant changes, developments, discussions or negotiations) of the status of any Competing Proposal, indication, inquiry or request (including the material terms and conditions thereof and of any material modification thereto), and any material developments, discussions and negotiations, including furnishing copies of any material written inquiries and correspondence. The

Company shall not, and shall cause its Subsidiaries not to, enter into any confidentiality agreement with any Person subsequent to the date of this Agreement that prohibits the Company from providing such information to Purchaser Representative. The Company shall not, and shall cause each of its Subsidiaries not to, terminate, waive, amend or modify any provision of, or grant permission or request under, any standstill or confidentiality agreement to which it or any of its Subsidiaries is a party and the Company shall, and shall cause its Subsidiaries, to enforce the provisions of any such agreement. Notwithstanding the foregoing, the Company may permit a proposal to be made under a standstill agreement if the Board of Directors determines in good faith, after consultation with outside counsel, that the Company's failure to do so would be inconsistent with the fiduciary duties of the Board of Directors to the constituents of the Company under applicable Law.

(c) Notwithstanding anything in Section 8.11(a) or Section 8.11(b) to the contrary, if, (i) the Company has received a written Competing Proposal from a third party Person that the Board of Directors believes in good faith to be bona fide; (ii) such Competing Proposal did not occur as a result of a breach of Section 8.11(a) or 8.11(b); (iii) the Board of Directors determines in good faith, after consultation with its financial advisors and outside counsel, that such Competing Proposal constitutes or may reasonably be expected to result in a Superior Proposal; and (iv) after consultation with its outside counsel, the Board of Directors determines in good faith that the failure to take such actions or any of the actions described in the following clauses (A) and (B) would be inconsistent with its fiduciary duties to the constituents of the Company under applicable Law, then the Company may (A) furnish information (including non-public information) with respect to the Company and its Subsidiaries to the Person making such Competing Proposal and (B) participate in discussions or negotiations with the Person making such Competing Proposal regarding such Competing Proposal; provided that the Company (x) gives Purchaser Representative written notice of the identity of such third party Person and of the Company's intention to furnish information to, or enter into discussions with, such Person at least two (2) Business Days prior to furnishing any such information to, or entering into discussions with, such Person; (y) will not, and will not allow its Subsidiaries or Representatives to disclose any non-public information to such Person without first entering or having entered into a confidentiality agreement that contains confidentiality provisions that are no less favorable in the aggregate to the Company than those contained in the Confidentiality Agreement; and (z) contemporaneously with making available any such information with such Person provides to Purchaser Representative any information concerning the Company or its Subsidiaries provided to such other Person which was not previously provided to or made available to Purchasers and the Purchaser Designees. Without limiting the foregoing, the Company shall promptly (within two (2) Business Days) notify Purchaser Representative if it determines to provide non-public information or to engage in discussions or negotiations concerning a Competing Proposal pursuant to this Section 8.11(c).

(d) Notwithstanding anything in Section 8.11(a) or 8.11(b) to the contrary, if the Company receives a Competing Proposal which the Board of Directors concludes in good faith, after consultation with outside counsel and its financial advisors, constitutes a Superior Proposal after giving effect to all of the adjustments to the terms of

this Agreement which may be offered by Purchasers and the Purchaser Designees, including pursuant to clause (ii) below, the Board of Directors may, if it determines in good faith, after consultation with outside counsel, that the failure to take such actions would be inconsistent with the fiduciary duties of the Board of Directors to the constituents of the Company under applicable Law, terminate this Agreement to enter into a definitive agreement with respect to such Superior Proposal; provided, however, that the Board of Directors may not terminate this Agreement pursuant to the foregoing (it being agreed that any such purported termination shall be null and void and of no effect) unless (1) such Superior Proposal did not result from a breach by the Company of this Section 8.11; and (2):

(i) the Company shall have provided prior written notice to Purchaser Representative, of its intention to take any action contemplated in Section 8.11(c) with respect to a Superior Proposal at least three (3) Business Days in advance of taking such action (the "Notice Period"), which notice shall set forth the material terms and conditions of any such Superior Proposal (including the identity of the Person making such Superior Proposal), and shall have contemporaneously provided a copy of the relevant proposed transaction agreements with the Person making such Superior Proposal (and the ultimate beneficial owner thereof) and other material documents, including the then-current form of each definitive agreement with respect to such Superior Proposal (each, an "Alternative Acquisition Agreement"); and

(ii) prior to terminating this Agreement to enter into a proposed definitive agreement with respect to such Superior Proposal, the Company shall provide Purchasers and the Purchaser Designees the opportunity to submit an amended written proposal or to make a new written proposal to the Board of Directors during the Notice Period and shall itself and shall cause its Representatives to, during the Notice Period, negotiate in good faith with Purchasers and the Purchaser Designees to make such adjustments to the terms and conditions of this Agreement so that such Superior Proposal ceases to constitute a Superior Proposal. In the event of any subsequent material revisions to such Superior Proposal, the Company shall deliver a new written notice to Purchaser Representative and comply with the requirements of this Section 8.11(d), and a new Notice Period shall commence.

(e) Any breach of the provisions of this Section 8.11 by any of the Company's Subsidiaries or the Representatives of the Company or its Subsidiaries shall be deemed to be a breach by the Company.

8.12 Liquidity Calculation.

(a) The Liquidity Annex is hereby incorporated by reference.

8.13 Financing Arrangements.

(a) Prior to the Closing, promptly upon reasonable request by Purchaser Representative or its representatives, the Company shall, and shall cause its Subsidiaries and representatives to, reasonably cooperate with and assist Purchasers and the Purchaser Designees in connection with any debt restructuring arrangements (the "Financing Arrangements") in connection with the Transactions. Without limiting the generality of the foregoing, the Company shall, and shall cause its Subsidiaries and representatives to, as promptly as practicable upon reasonable request by Purchaser Representative or its representatives: (i) furnish to the extent practicable any financial statements, schedules or other financial data relating to the Company and its Subsidiaries to lenders associated with any Financing Arrangements (each, a "Credit Party" and collectively, the "Credit Parties") that execute a confidentiality agreement in form and substance reasonably satisfactory to the Company; (ii) use commercially reasonable efforts to obtain the cooperation and assistance of their counsel in providing legal opinions and other services as may be reasonably required by the Financing Arrangements; (iii) arrange for their senior officers to provide reasonable and customary representations to auditors, attend meetings with prospective lenders, investors and rating agencies, other meetings and due diligence sessions, in each case, either in person or telephonically, at times and places (as applicable) to be mutually agreed and for reasonable durational periods; (iv) use commercially reasonable efforts to cause their independent accountants to provide reasonable assistance and cooperation to each Purchaser and each Purchaser Designee, including participating in drafting sessions and accounting due diligence sessions, providing consent to each Purchaser and Purchaser Designee to use their audit reports relating to the Company and its Subsidiaries and providing customary "comfort letters" and agreed procedures letters; (v) provide reasonable assistance and cooperation with the creation of a valid and perfected security interest, which shall become effective only upon the Closing, in the properties and the other assets of the Company and its Subsidiaries for the benefit of the Credit Parties participating in the Financing Arrangements, to enable such Credit Parties to exercise and enforce their rights and remedies with respect to the properties and other assets of the Debtors and their Subsidiaries on and after the Closing solely to the extent required pursuant to the terms of the applicable definitive financing documents; (vi) provide reasonable access to the books and records, their officers, directors, employees, agents and other representatives to Credit Parties that execute a confidentiality agreement in form and substance reasonably satisfactory to the Company; (vii) reasonably cooperate with any marketing and syndication efforts of the Credit Parties for Financing Arrangements; and (viii) take all corporate actions reasonably requested by any Purchaser, Purchaser Designee or the Credit Parties, prior to the Closing or the termination of this Agreement, to permit or facilitate consummation of the Financing Arrangements. Subject to the provisions of this Section 8.13, except as otherwise permitted by the Plan Support Agreement, the Company shall not, and shall cause the Subsidiaries not to, otherwise discuss the debt restructuring arrangements with the Credit Parties or any potential lenders or investors in the financing of the Transactions without the prior consent of Purchaser Representative, which consent shall not be unreasonably delayed, withheld or conditioned.

(b) Notwithstanding the foregoing, neither the Company nor any of its Subsidiaries shall be required (i) to execute any agreement or undertake any contractual

obligation that is not contingent upon the Closing or that would be effective prior to the Closing, or (ii) to pay any fee unless and until the Closing occurs, except as otherwise provided in this Agreement or (iii) incur any liability or obligation under any loan agreement or any related document or any other agreement or document related to the Financing Arrangements, unless and until the Closing occurs, or (iv) be required to provide any information to the extent that provision thereof would violate any law.

8.14 Funding Into Escrow. Each Purchaser hereby covenants and agrees in favor of the other Purchasers that it shall, no later than one (1) Business Day prior to Closing, deposit into an escrow account, governed by the escrow agreement to be entered into by and among Purchasers, the Purchaser Designees and the escrow agent, each Purchaser's Pro Rata Share of the Purchase Price as of such date.

ARTICLE IX

COMMITMENT FEE, EXPENSES AND APPOINTMENT OF PURCHASER REPRESENTATIVE

9.1 Commitment Fee; Expense Reimbursement Amount. On or prior to the date hereof, the Company shall pay or shall have paid to Col-L Acquisition (on its own behalf and not on behalf of or for the benefit of the other Purchasers or the Purchaser Designees) in cash an amount equal to the Commitment Fee and the Signing Date Expense Reimbursement Amount, to an account designated in writing by Col-L Acquisition.

9.2 Expenses. The Company shall pay to Col-L Acquisition (on its own behalf and not on behalf of or for the benefit of the other Purchasers or the Purchaser Designees) the amount of Col-L Acquisition's fees, costs and expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the Transactions pursuant to ARTICLE IX). The Company shall pay Col-L Acquisition by wire transfer of immediately available funds to an account designated by Col-L Acquisition on a weekly basis commencing on the date hereof through and until the earlier to occur of the Closing Date and the termination of this Agreement pursuant to Section 4.4, the amount of documented out-of-pocket expenses, fees and costs of Col-L Acquisition actually incurred in connection with the Transactions during the prior week, including, without limitation, the fees of Col-L Acquisition's outside legal counsel. Any such amounts incurred after the Petition Date shall constitute administrative expenses of the Debtors in the Bankruptcy Case, with administrative priority.

9.3 Purchaser Representative.

(a) Each Purchaser and each Purchaser Designee agrees that Col-L Acquisition, in its capacity as Purchaser Representative, is hereby constituted and appointed as agent and attorney-in-fact with full power and right of substitution, for and on behalf of each Purchaser and each Purchaser Designee, with the sole and exclusive

right and power on behalf of each Purchaser and each Purchaser Designee to execute and deliver any and all certificates and other documents required to be executed and delivered by any Purchaser and each Purchaser Designee hereunder, to give and receive notices and communications hereunder and under the other documents and agreements being entered into and delivered in connection with the Transactions, to make claims against the Company hereunder and thereunder, to authorize the termination of this Agreement in accordance herewith, to waive any conditions precedent to the obligations of Purchaser and the Purchaser Designees hereunder, to object to such deliveries, to agree to, negotiate, enter into settlements and compromises of, and demand arbitration and comply with orders of courts and awards of arbitrators with respect to such claims, to receive notices of claims pursuant hereto, to make amendments and grant waivers hereunder, and to take all actions necessary or appropriate in the judgment of Purchaser Representative for the accomplishment of the foregoing (except to the extent that this Agreement expressly contemplates that the foregoing shall be done by Purchasers and/or Purchaser Designees individually). No bond shall be required of Purchaser Representative. Notices or communications to or from Purchaser Representative shall constitute notice to or from the Company and Purchasers and the Purchaser Designees, as applicable.

(b) A decision, act, consent or instruction of Purchaser Representative shall constitute a decision of all of Purchasers and the Purchaser Designees and shall be final, binding and conclusive upon each of such Parties, and the Company may rely upon any written decision, act, consent or instruction of Purchaser Representative as being the decision, act, consent or instruction of each of such Parties.

(c) Purchaser Representative shall, at the expense of Purchasers and Purchaser Representatives, be entitled to engage such counsel, experts and other agents and consultants as Purchaser Representative shall deem necessary in connection with exercising its powers and performing its function hereunder and (in the absence of bad faith on the part of Purchaser Representative) shall be entitled to conclusively rely on the opinions and advice of such Persons. Purchaser Representative shall have no liability to any of Purchasers and the Purchaser Designees for any actions taken by it in good faith in its capacity as Purchaser Representative (and any action done or omitted pursuant to advice of counsel or other expert shall be conclusive evidence of such good faith). Purchasers and the Purchaser Designees will severally indemnify Purchaser Representative and hold Purchaser Representative harmless against any Loss and shall reimburse Purchaser Representative for any out-of-pocket expenses incurred without negligence or bad faith on the part of Purchaser Representative and arising out of or in connection with the acceptance or administration of Purchaser Representative's duties hereunder, including each Purchaser's and the Purchaser Designees' Pro Rata Share of the reasonable fees and expenses of any legal counsel retained by Purchaser Representative.

ARTICLE X

CONDITIONS TO CLOSING

10.1 Conditions Precedent or Concurrent to Obligations of Purchasers and the Purchaser Designees. The obligation of Purchasers and the Purchaser Designees to consummate the Transactions is subject to the fulfillment, on or prior to the Closing, of each of the following conditions (any or all of which may be waived by Purchaser Representative, on behalf of Purchasers and the Purchaser Designees, in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of the Company set forth in Sections 5.1, 5.2, 5.3 and 5.5(d) shall be true and correct in all respects at and as of the date hereof and the Closing as if made on and as of the Closing, the representation and warranty of the Company set forth in Section 5.5(e) shall be true and correct in all respects other than *de minimis* (up to $50,000 in the aggregate) respects at and as of the date hereof and the Closing as if made on and as of the Closing and all other representations and warranties of the Company set forth in this Agreement, disregarding all qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, shall be true and correct in all respects at and as of the date hereof and the Closing as if made on and as of the Closing (or, to the extent given as of a specific date, as of such date), except for such failures to be true and correct that, individually and in the aggregate, would not be reasonably likely to result in a Material Adverse Effect. Purchaser Representative shall have received a certificate signed by an authorized officer of the Company, dated the Closing Date, to the foregoing effect;

(b) the Company shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by it prior to the Closing Date, and Purchaser Representative shall have received a certificate signed by an authorized officer of the Company, dated the Closing Date, to the forgoing effect;

(c) the Amended and Restated Certificate of Incorporation, the Amended and Restated Bylaws, in the form approved by the Purchaser Representative in its sole and absolute discretion, shall have been duly adopted by all necessary action of the Board of Directors and shall be in full force and effect and the Amended and Restated Certificate of Incorporation shall have been filed with the Secretary of State of the State of Delaware;

(d) except as set forth on Schedule 5.6, since the Company Balance Sheet Date, there shall not have been a Material Adverse Effect;

(e) the Company shall have entered into a credit agreement with respect to a Twenty Million Dollar ($20,000,000) revolving credit facility on terms and in a form acceptable to Purchaser Representative in its sole and absolute discretion and acceptable to the administrative agent acting on behalf of the Lenders under the New Credit Agreement (as defined below);

(f) the definitive documentation with respect to a new credit facility consistent in all respects with the Debt Term Sheet, in form and substance satisfactory to the Purchaser Representative, in its sole and absolute discretion, shall have been duly

executed by the Company and all other parties thereto (the "New Credit Agreement") and shall be effective as of immediately following the Closing;

(g) the New Satellite Agreement shall have been entered into by and among the parties thereto;

(h) each of the members of the Board of Directors in place immediately prior to the Closing shall have executed and delivered a resignation letter to the effect that the resignations are effective as of the Closing;

(i) the Plan and the Disclosure Statement shall be approved by the Bankruptcy Court, which Plan shall be in the form attached hereto as Exhibit A with such changes as Purchaser Representative shall agree and which Disclosure Statement shall be in such form as Purchaser Representative shall agree and the Plan Supplement shall be approved by the Bankruptcy Court and shall not be inconsistent with any of this Agreement, the Confirmation Order or the Plan except to the extent of any changes agreed to by Purchaser Representative pursuant to the terms hereof;

(j) the Confirmation Order shall have been entered by the Bankruptcy Court and shall be in a form agreed to by Purchaser Representative***;***

(k) no portion of the Commitment Fee or transaction expenses reimbursed to Col-L Acquisition shall have been required to have been repaid or shall otherwise be disgorged, other than *de minimis* amounts (no more than $25,000);

(l) the Plan Support Agreement shall not have been terminated or amended, supplemented or modified in any manner (including by a waiver by the Company) except to the extent agreed to by Purchaser Representative, in its reasonable discretion, or sole discretion to the extent such changes adversely affect any Purchaser;

(m) the Estimated Liquidity (as defined and calculated in accordance with the Liquidity Annex) shall not be less than the Benchmark Liquidity (as defined in the Liquidity Annex);

(n) all executory contracts and unexpired leases (i) designated by Purchaser Representative (A) for assumption at Closing shall have been validly assumed for the benefit of the Company or any of its Subsidiaries following the Closing and shall be in full force and effect without any right of the counterparty to terminate or to condition its obligation to perform thereunder (including, without limitation, any right of the counterparty to terminate after the emergence date) as a result of or in respect of this Transaction or any change of control provisions or similar provisions, subject only to the determination of any cure amounts in bona fide dispute, and (B) for rejection at Closing shall have been validly rejected without further obligation of the Company (excluding any obligations that would otherwise survive termination or breach) or any of its Subsidiaries, subject only to the determination of the amount of an unsecured claim for rejection damages; and (ii) not designated by Purchaser Representative for assumption or rejection, shall be capable of being validly assumed for the benefit of the Company or any of its Subsidiaries following the Closing in accordance with the Plan and shall be in

full force and effect without any right of the counterparty to terminate or to condition its obligation to perform thereunder (including, without limitation, any right of the counterparty to terminate after the emergence date) as a result of or in respect of this Transaction or any change of control provisions or similar provisions, subject only to the determination of any cure amounts in bona fide dispute, except in each case for any executory contracts or unexpired leases whose failure to be so assumed or rejected is not reasonably likely to adversely affect the Business in a greater than de minimis manner as determined by the Purchaser Representative;

(o) the Company shall have delivered, or caused to be delivered, to Purchaser Representative all of the items set forth in Section 4.2; and

(p) the Purchase Price paid at the Closing shall not be less than $50,000,000.

10.2 Conditions Precedent or Concurrent to Obligations of the Company. The obligation of the Company to consummate the Transactions are subject to the fulfillment, prior to or on the Closing Date, of each of the following conditions (any or all of which may be waived by the Company in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of each Purchaser and Purchaser Designee set forth in this Agreement qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, in each case, on and as of the Closing Date as if made on and as of the Closing Date (or, to the extent given as of a specific date, as of such date). The Company shall have received a certificate signed by an authorized officer of such Purchaser and Purchaser Designee, dated the Closing Date, to the foregoing effect;

(b) each Purchaser and Purchaser Designee shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by such Purchaser or Purchaser Designee on or prior to the Closing Date, and the Company shall have received a certificate signed by an authorized officer of such Purchaser or Purchaser Designee, dated the Closing Date, to the foregoing effect; and

(c) each Purchaser and each Purchaser Designee (if any) shall have delivered, or caused to be delivered, to the Company all of the items set forth in Section 4.3 with respect to themselves.

10.3 Conditions Precedent or Concurrent to Obligations of Purchasers, the Purchaser Designees and the Company. The respective obligations of Purchasers, the Purchaser Designees and the Company to consummate the Transactions are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived by Purchaser Representative, on behalf of the Purchaser and the Purchaser Designees and the Company in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the Transactions;

(b) the Bankruptcy Court shall have entered the Confirmation Order and any stay period applicable to the Confirmation Order shall have expired or shall have been waived by the Bankruptcy Court and the Confirmation Order shall not have been reversed, modified or amended in any manner that Purchaser Representative deems to be adverse to any Purchaser's and the Purchaser Designees' interests or to the Company or any of its Subsidiaries after Closing; and

(c) the waiting period applicable to the Transactions under the HSR Act or other applicable Antitrust Laws shall have expired or early termination shall have been granted, to the extent applicable.

10.4 Frustration of Closing Conditions. Neither Purchasers, the Purchaser Designees nor the Company may rely on the failure of any condition set forth in Section 10.1, Section 10.2 or Section 10.3, as the case may be, if such failure was caused by such Party's failure to comply with any provision of this Agreement.

ARTICLE XI

NO SURVIVAL

11.1 No Survival of Representations and Warranties. The Parties agree that the representations and warranties contained in this Agreement shall not survive the Closing, other than, and solely, for purposes of the calculations set forth in the Liquidity Annex, and none of the Parties shall have any Liability to each other after the Closing for any breach thereof.

11.2 No Consequential Damages. Notwithstanding anything to the contrary elsewhere in this Agreement, no Party shall, in any event, be liable to any other Person for any consequential, incidental, indirect, special or punitive damages of such other Person, including loss of future revenue, income or profits, diminution of value or loss of business reputation or opportunity relating to the breach or alleged breach hereof.

11.3 Certain Waivers.

(a) The Company hereby agrees that no principal, director, officer, employee, manager, partner, limited partner, shareholder, member or agent of any Purchaser, CCL, any Purchaser Designee or any of their respective Affiliates (other than Purchasers, the Purchaser Designees and CCL, in each case, as and to the extent expressly provided herein), including Thomas Barrack or any fund or limited partnership related to or otherwise affiliated with CCL, shall have any liability or obligation to the Company or any of its Affiliates under this Agreement or in connection with the Transactions whatsoever including, any liability or obligation to pay the Purchase Price or for any claim for breach of any representation and warranty or covenant or any other claim, demand, obligation of any kind, loss, cause of action, cost, expense, attorney's fee

and indemnity of any kind or nature whatsoever; provided, however, that CCL's only obligation under this Agreement is its guarantee of the payment by Col-L Acquisition of its Pro Rata Share of the Base Purchase Price (and not the Pro Rata Share of the Base Purchase Price of any other Purchaser and not the Designee Purchase Price Amount of any Purchaser Designee), upon the satisfaction of all of the conditions set forth in ARTICLE X in accordance with this Agreement pursuant to Section 8.9.

(b) No past, present or future director, officer, employee, stockholder, or other equity-holder or agent of the Company or any of its Subsidiaries or Affiliates (other than as expressly provided herein) shall have any liability or obligation to Purchasers, the Purchaser Designees or CCL under this Agreement or in connection with the Transactions whatsoever including for any claim for breach of any representation and warranty or covenant or any other claim, demand, obligation of any kind, loss, cause of action, cost, expense, attorney's fee and indemnity of any kind or nature whatsoever.

11.4 Several Liability of Purchasers and Purchaser Designees. The Purchasers and Purchaser Designees shall be severally and not jointly liable hereunder for any breach of any representation and warranty or covenant hereunder and no Purchaser and Purchaser Designee shall have Liability for any such breach or default by any other Purchaser or Purchaser Designee. In the event of a Liability of the Purchaser Representative, each Purchaser and Purchaser Designee shall be severally and not jointly liable for such Liability solely to the extent of their respective Pro Rata Share of such Liability.

ARTICLE XII

TAXES

12.1 Transfer Taxes. The Company shall be responsible for (and shall indemnify and hold harmless each Purchaser and its directors, officers, employees, Affiliates, agents, successors and permitted assigns against) any sales, use, stamp, documentary, filing, recording, transfer or similar fees or Taxes or governmental charges (including any real property transfer Taxes, UCC-3 filing fees, real estate, aircraft and motor vehicle registration, title recording or filing fees and other amounts payable in respect of transfer filings, and including any interest and penalty thereon) payable in connection with the Transactions ("Transfer Taxes"). To the extent that any Transfer Taxes are required to be paid by any Purchaser or Purchaser Designee, the Company shall promptly reimburse such Purchaser or Purchaser Designee for such Transfer Taxes. The Company, Purchasers and the Purchaser Designees shall cooperate and consult with each other prior to filing any Tax Returns in respect of Transfer Taxes, including by availing themselves of any permitted exemptions from the payment of Transfer Taxes, such as that provided under section 1146(a) of the Bankruptcy Code. The Company, Purchasers and the Purchaser Designees shall cooperate and otherwise take commercially reasonable efforts to obtain any available refunds for Transfer Taxes.

ARTICLE XIII

MISCELLANEOUS

13.1 Certain Expenses. The Company shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby and shall pay all fees and expenses (including expenses of counsel to Col-L Acquisition) incurred in respect of the filings pursuant to the HSR Act or other Antitrust Laws with respect to the Transactions.

13.2 Injunctive Relief. Damages at law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement, and, accordingly, any Party shall be entitled to injunctive relief with respect to any such breach, including specific performance of such covenants, promises or agreements or an order enjoining a Party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement (and each Party hereby waives any requirement for the securing or posting of any bond or other security in connection therewith); provided, however, that in no event shall CCL have any liability or obligation in connection with such injunctive relief or specific performance other than, to the extent applicable, payment of Col-L Acquisition's Pro Rata Share of the Base Purchase Price or repayment of the Commitment Fee if it is judicially determined that Col-L Acquisition has defaulted hereunder in its obligation to repay the Commitment Fee, in either case, pursuant to Section 8.9. The rights set forth in this Section 13.2 shall be in addition to any other rights which a Party may have at law or in equity pursuant to this Agreement.

13.3 Governing Law. To the extent not governed by the Bankruptcy Code, this Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to contracts made and performed in such State, without regard to any conflict of laws principles thereof.

13.4 Submission to Jurisdiction; Consent to Service of Process.

(a) Without limiting any Party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the Transactions, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 13.7; provided, however, that if the Bankruptcy Case has closed or not commenced, or the Bankruptcy Court is determined not to have appropriate jurisdiction, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in New York County or the Commercial Division, Civil Branch of the Supreme

Court of the State of New York sitting in New York County and any appellate court from any thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the Parties hereby consents to process being served by any Party in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 13.7.

13.5 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING BASED UPON, ARISING OUT OF, OR RELATED TO THIS AGREEMENT, ANY PROVISION HEREOF OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

13.6 Entire Agreement; Amendments and Waivers. This Agreement (including the Schedules and Exhibits) and the Confidentiality Agreement represent the entire understanding and agreement among the Parties with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the Party against whom enforcement of any such amendment, supplement, modification or waiver is sought. Notwithstanding the foregoing, as described herein Schedule B may be amended from time to time by the Purchaser Representative in connection with the execution and delivery of a Joinder Agreement by a Purchaser Designee or the delivery of an Additional Purchase Notice, without the consent or approval of the Company or any other Party hereto. No action taken pursuant to this Agreement, including any investigation by or on behalf of any Party, shall be deemed to constitute a waiver by the Party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

13.7 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (a) when delivered personally by hand (with written confirmation of receipt), (b) when sent by facsimile (with written confirmation of transmission), (c) five (5) days after being deposited with the United States Post Office, by registered or certified mail, postage prepaid, (d) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt), or (e) when sent by electronic mail (with acknowledgment received), in each case at the

following addresses and facsimile numbers (or to such other address or facsimile number as a Party may have specified by notice given to the other Party pursuant to this provision):

If to the Company, to:

LodgeNet Interactive Corporation
3900 West Innovation Street
Sioux Falls, South Dakota 57107
Attention: James Naro
Facsimile: (605) 988-1323
email: james.naro@lodgenet.com

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

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Ted S. Waksman
Gary T. Holtzer
Facsimile: (212) 310-8007
email: ted.waksman@weil.com
gary.holtzer@weil.com

If to Purchaser Representative or any Purchaser or Purchaser Designee, to:

Purchaser Representative
c/o Col-L Acquisition, LLC
2450 Broadway, 6th Floor
Santa Monica, California 90404
Attention: Richard Nanula
Facsimile: (310) 282-8816
email: RNanula@colonyinc.com

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

Liner Grode Stein Yankelevitz Sunshine Regenstreif & Taylor LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024
Attention: Joshua B. Grode
Facsimile: (310) 500-3501
email: jgrode@linerlaw.com

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Andrew G. Dietderich

Alexandra D. Korry
Facsimile: (212) 291-9085 and (212) 291 9041
email: dietdericha@sullcrom.com
korrya@sullcrom.com

Any party delivering a notice or other communication pursuant to this Section 13.7 shall also deliver a copy of such notice to:

Gleacher Products Corp.
1290 Avenue of the Americas, 5th Floor
New York, New York 10104
Attention: Joanna Anderson
Facsimile: (646) 786-4385
Email: Joanna.Anderson@gleacher.com

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036
Facsimile: (212) 872-1002
Attn: Michael S. Stamer
Email: mstamer@akingump.com

13.8 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the Transactions are consummated as originally contemplated to the greatest extent possible.

13.9 Assignment. This Agreement and the rights and obligations hereunder will not be assignable or transferable by any Party without the prior written consent of the other Party hereto. Notwithstanding the foregoing, Purchasers may assign any portion or all of its rights hereunder to one or more Purchaser Designees without the prior written consent of the Company pursuant to and in accordance with Section 2.4. Any attempted assignment in violation of this Section 13.9 will be void. Subject to the preceding sentences, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

13.10 No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and, nothing herein, express or implied, is intended to or shall confer

upon any Person (including without limitation any creditor of the Company) other than the Company, Purchasers, the Purchaser Designees and CCL and their respective successors and permitted assigns, any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, subject to the provisions of Section 8.7.

13.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first written above.

COMPANY

LODGENET INTERACTIVE CORPORATION

By: _____
Name: James G. Naro
Title: Senior Vice President and General Counsel

PURCHASER REPRESENTATIVE:

COL-L ACQUISITION, LLC

By: Colony Capital, LLC, its Manager

By:_____
Name: Richard Nanula
Title Principal

PURCHASER:

COL-L ACQUISITION, LLC

By: Colony Capital, LLC, its Manager

By:_____
Name: Richard Nanula
Title Principal

PURCHASER:

PAR INVESTMENT PARTNERS, L.P.

By: PAR Group, L.P., its general partner

By: PAR Capital Management, Inc., its general partner

By: _____

Steven M. Smith
Chief Operating Officer and General Counsel

PURCHASER:

MAR CAPITAL FUND I, L.P.
By: 9249-5696 QUÉBEC INC., its General Partner

By: _____
Name:Pedro Verea
Title: Authorized Signatory

MAR CAPITAL FUND II, L.P.
By: 9249-5753 QUÉBEC INC., its General Partner

By: _____
Name:Pedro Verea
Title:Authorized Signatory

MAR CAPITAL FUND III, L.P.
By: 9249-5787 QUÉBEC INC., its General Partner

By: _____
Name:Pedro Verea
Title:Authorized Signatory

PURCHASER:

NALA INVESTMENTS, LLC

By: DocuSigned by: _____
Emilio Diez-Barroso, Manager

SOLELY FOR THE PURPOSES OF SECTIONS 6.2 AND 8.9

CCL:

COLONY CAPITAL, LLC

By: _____

Name: Richard Nanula

Title: Principal

SCHEDULE A

DEBTORS

LodgeNet StayOnline, Inc.

LodgeNet International, Inc.

LodgeNet Healthcare, Inc.

On Command Corporation

On Command Video Corporation

Puerto Rico Video Entertainment Corporation

Virgin Island Video Entertainment Corporation

Spectradyne International, Inc.

The Hotel Networks, Inc.

Hotel Digital Network, Inc.

SCHEDULE B

PURCHASERS; PURCHASER DESIGNEES

Name / Address	Amount of Purchase Price to be Paid at Closing	Pro Rata Share
Purchasers:		
Col-L Acquisition, LLC 2450 Broadway, 6th Floor Santa Monica, CA, 90404 Attention: Richard Nanula Facsimile: (310) 282-8816 Email: RNanula@colonyinc.com	$25,000,000	41.67%
PAR Investment Partners, L.P. _____ _____ Attn: Facsimile:	$20,000,000	33.33%
Nala Investments, LLC _____ _____ Attn: Facsimile:	$5,000,000	8.33%
MAR CAPITAL FUND I, L.P. _____ _____ Attn: Facsimile:	$10,000,000 (Note: to be allocated among MAR Capital Fund I, L.P., MAR Capital Fund II, L.P. and MAR Capital Fund III, L.P.)	16.67% (Note: to be allocated among MAR Capital Fund I, L.P., MAR Capital Fund II, L.P. and MAR Capital Fund III, L.P.)
MAR CAPITAL FUND II, L.P. _____ _____ Attn: Facsimile:	[See "Note" above for MAR CAPITAL FUND I, L.P.]	[See "Note" above for MAR CAPITAL FUND I, L.P.]
MAR CAPITAL FUND III, L.P. _____ _____ Attn: Facsimile:	[See "Note" above for MAR CAPITAL FUND I, L.P.]	[See "Note" above for MAR CAPITAL FUND I, L.P.]
Purchaser Designees:		
None	-	-
Total:	**$60,000,000**	**100%**

SCHEDULE C

WARRANTS

Warrants totaling 27.5% of the issued and outstanding Common Stock following the Closing, on a fully-diluted basis, to be allocated among such Persons, at such strike prices and on such terms as shall be instructed by the Purchaser Representative.

Schedules to Investment Agreement

Intentionally Omitted.

EXHIBIT A

FORM OF PLAN OF REORGANIZATION

Intentionally Omitted.

EXHIBIT B

FORM OF CONFIRMATION PLAN

(see attached)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
LodgeNet Interactive Corporation, *et al.*, [1]	:	**Case No. 13 – _____ ( )**
Debtors.	:	**(Jointly Administered)**

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER (I) APPROVING THE DEBTORS' (A) DISCLOSURE STATEMENT PURSUANT TO SECTIONS 1125 AND 1126(b) OF THE BANKRUPTCY CODE, (B) PREPETITION SOLICITATION OF VOTES AND VOTING PROCEDURES, AND (C) FORM OF BALLOTS, AND (II) CONFIRMING THE PLAN OF REORGANIZATION OF LODGENET INTERACTIVE CORPORATION, *ET AL.* UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

LodgeNet Interactive Corporation and its affiliated debtors in the above-referenced cases, as debtors and debtors in possession (collectively, the "Debtors"), having proposed and filed (A) the Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code, dated [ ], 2013 and filed with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on [ ], 2013 (as may be modified, the "Plan") [2] [ECF No. [ ]], a copy of which is annexed hereto as Exhibit A, and that certain supplement to the Plan, dated and filed with the Bankruptcy Court on [ ], 2013 (as the documents contained therein have been or may be further amended or supplemented, the "Plan Supplement") [ECF No. [ ]] and (B) the Disclosure

[1] The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: LodgeNet Interactive Corporation (1161), LodgeNet StayOnline, Inc. (3232), On Command Corporation (5194), The Hotel Networks, Inc. (4919), On Command Video Corporation (8458), Puerto Rico Video Entertainment Corporation (6786), Virgin Islands Video Entertainment Corporation (6611), Spectradyne International, Inc. (9353), LodgeNet Healthcare Inc. (0337), Hotel Digital Network, Inc. (7245), and LodgeNet International Inc. (2811).

[2] Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Plan. The rules of construction in section 102 of the Bankruptcy Code shall apply to this Order.

Statement Relating to the Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code, dated [ ], 2012 and filed with the Bankruptcy Court on [ ], 2013 (the "Disclosure Statement") [ECF No. [ ]]; and the Bankruptcy Court having entered the Order (I) Scheduling a Combined Hearing to Consider (A) Approval of the Disclosure Statement, (B) Approval of Prepetition Solicitation Procedures and Form of Ballot, and (C) Confirmation of the Plan, (II) Establishing an Objection Deadline to Object to the Disclosure Statement and the Plan, (III) Approving the Form and Manner of Notice Thereof, and (IV) Granting Related Relief [ECF No. [ ]] (the "Scheduling Order") on [ ], 2013, which, (a) scheduled a combined hearing (the "Combined Hearing") on the adequacy of the Disclosure Statement and confirmation of the Plan, (b) established procedures for objecting to the Disclosure Statement and Plan, (c) approved the form and manner of notice of the Combined Hearing, and (d) granted related relief; and an appropriate ballot for voting on the Plan (the "Ballot"), in the form attached as Exhibit [ ] to the Affidavit of Service and Vote Certification of Kurtzman Carson Consultants LLC (the "KCC Affidavit"), sworn to by [ ], [ ] of Kurtzman Carson Consultants LLC ("KCC") and filed with the Bankruptcy Court on [ ], 2013 (the "Voting Certification") [ECF No. [ ]], having been duly transmitted to holders of Claims in compliance with the procedures (the "Solicitation Procedures") set forth in the Scheduling Order; and the Combined Hearing having been held before the Bankruptcy Court on [ ], 2013 after due and sufficient notice was given to (i) all of the Debtors' known creditors and equity interest holders, (ii) the Office of the U.S. Trustee for Region 2; (iii) the Securities and Exchange Commission; (iv) counsel for any official committee appointed in these cases; (v) counsel for the administrative agent under the Debtors' credit agreement; (vi) counsel to the Prepetition Agent; (vii) counsel to Colony Capital; (viii) the

Internal Revenue Service; (ix) any parties to any contracts with the Debtors, taxing and environmental authorities applicable to the Debtors and any other party, in each case, whom Purchaser Representative requests the Debtors provide the Combined Notice; (x) all other entities required to be served under Bankruptcy Rules 2002 and 3017 (collectively, the "Notice Parties"), and (xi) other parties-in-interest in accordance with the Scheduling Order, Amended Procedural Guidelines for Prepackaged Chapter 11 Cases in the United States Bankruptcy Court for the Southern District of New York, as amended, effective December 1, 2009 (as adopted by General Order M-387) (the "Guidelines"), title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the "Bankruptcy Code"), the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), in each case established by the affidavits of service, mailing, and/or publication filed with the Bankruptcy Court, including (1) the Affidavit/Declaration of Service of [ ] regarding Summary of Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code and Notice of Combined Hearing on (I) Adequacy of the Disclosure Statement and Solicitation Procedures and (II) Confirmation of Plan and Related Matters, dated [ ], 2013 [ECF No. [ ]], and (2) the Affidavit of Publication of [ ] in *The Wall Street Journal* regarding Summary of Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code and Notice of Combined Hearing on (I) Adequacy of the Disclosure Statement and Solicitation Procedures and (II) Confirmation of Plan and Related Matters, dated [ ], 2013 [ECF No. [ ]] (together, the "Notice Affidavits"), and such notice being sufficient under the circumstances and no further notice being required; and due notice of the Plan Supplement having been given to (i) the Notice Parties and (ii) other parties in interest in compliance with the

Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, and the Solicitation Procedures, as established by the Affidavit of Service of [ ] regarding Plan Supplement for Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code [ECF No. [ ]]; and such filing and notice thereof being sufficient under the circumstances and no further notice being required; and based upon and after full consideration of the entire record of the Combined Hearing, including (A) the Disclosure Statement, the Plan (including the Plan Supplement), the Voting Certification, (B) the Debtors' memorandum of law, dated [ ], 2013, in support of confirmation of the Plan, (C) the Declaration of [ ] in support of confirmation of the Plan, dated [ ], 2013 (the "[ ]Declaration"), (D) the Declaration of [ ] in support of confirmation of the Plan, dated [ ], 2013 (the "[ ]Declaration"), (E) the Notice Affidavits, and (F) (i) no objections having been filed to the approval of the Disclosure Statement, and [(ii) no objections having been filed to the confirmation of the Plan]; and the Bankruptcy Court being familiar with the Disclosure Statement and the Plan and other relevant factors affecting the Debtors' chapter 11 cases; and the Bankruptcy Court being fully familiar with, and having taken judicial notice of, the entire record of the Debtors' chapter 11 cases; and upon the arguments of counsel and the evidence proffered and adduced at the Combined Hearing; and the Bankruptcy Court having found and determined that the Disclosure Statement should be approved and the Plan should be confirmed as reflected by the Bankruptcy Court's rulings made herein and at the Combined Hearing; and after due deliberation and sufficient cause appearing therefore; the Bankruptcy Court hereby FINDS, DETERMINES, AND CONCLUDES that:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Findings and Conclusions. The findings and conclusions set forth herein and in the record of the Combined Hearing constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Jurisdiction, Venue, Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)). The Bankruptcy Court has jurisdiction over the Debtors' chapter 11 cases pursuant to 28 U.S.C. § 1334. Approval of the Disclosure Statement and confirmation of the Plan are core proceedings pursuant to 28 U.S.C. § 157(b) and this Bankruptcy Court has jurisdiction to enter a final order with respect thereto. The Debtors are eligible debtors under section 109 of the Bankruptcy Code. Venue is proper before this Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409. The Debtors are proper plan proponents under section 1121(a) of the Bankruptcy Code.

C. Chapter 11 Petitions. On [ ], 2013 (the "Commencement Date"), each Debtor commenced with this Bankruptcy Court a voluntary case under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed pursuant to section 1104 of the Bankruptcy Code. No statutory committee of unsecured creditors has been appointed pursuant to section 1102 of the Bankruptcy Code. Further, in accordance with an order of this Bankruptcy Court, the Debtors' cases are being jointly administered pursuant to Bankruptcy Rule 1015(b).

D. Judicial Notice. The Bankruptcy Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Bankruptcy Court, including[3] all pleadings and other documents filed, all orders entered, and all evidence and arguments made, proffered, or adduced at the hearings held before the Bankruptcy Court during the pendency of the Chapter 11 Cases.

E. Burden of Proof. The Debtors have the burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence. Each Debtor has met such burden.

F. Adequacy of Disclosure Statement. The Disclosure Statement (a) contains sufficient information of a kind necessary to satisfy the disclosure requirements of all applicable non-bankruptcy law, including the Securities Act of 1933, as amended (the "Securities Act"), (b) contains "adequate information" (as such term is defined in section 1125(a)(1) and used in section 1126(b)(2) of the Bankruptcy Code) with respect to the Debtors, the Plan, and the transactions contemplated therein, and (c) is approved in all respects.

G. Prepetition Solicitation. Prior to the Commencement Date, the Debtors, through their solicitation agent, KCC, caused the Plan, the Disclosure Statement, and the Ballot (collectively the "Solicitation Packages"), to be transmitted and served in compliance with sections 1125 and 1126 of the Bankruptcy Code, the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, the Local Rules, the Guidelines, the Scheduling Order, all other applicable provisions of the Bankruptcy Code, and all other applicable rules, laws, and regulations applicable to such solicitation. The Solicitation Packages were transmitted to holders of Claims in Class 2 (Prepetition Lender Claims) – the only Class of Claims entitled under the Plan to vote

[3] For avoidance of doubt, as used in this Confirmation Order, the word "including" means "including, without limitation."

to accept or reject the Plan – commencing on [ ], 2012. The form of the Ballot adequately addressed the particular needs of these Chapter 11 Cases and was appropriate for holders of Claims in Class 2 (Prepetition Lender Claims). The period during which the Debtors solicited acceptances to the Plan was a reasonable period of time for holders to make an informed decision to accept or reject the Plan. The Debtors were not required to solicit votes from the holders of Claims in Class 1 (Priority Non-Tax Claims), Class 3 (Other Secured Claims), Class 4 (General Unsecured Claims), and Class 5 (Intercompany Claims), and Interests in Class 6 (Interests in Subsidiary Debtors) (collectively, the "Unimpaired Classes"), as each such class is unimpaired under the Plan. The Debtors also were not required to solicit votes from the holders of Interests in Class 7 (Series B Preferred Interests in LodgeNet Interactive) and Class 8 (Interests in LodgeNet Interactive) (together, the "Non-Voting Impaired Classes") as such Classes receive no recovery under the Plan and are deemed to reject the Plan. As described in and as evidenced by the Voting Certification and the Notice Affidavits, the transmittal and service of the Plan, the Disclosure Statement, and the Ballot (all of the foregoing, the "Solicitation") were timely, adequate and sufficient under the circumstances and no other or further notice was or shall be required. The Solicitation of votes on the Plan complied with the Solicitation Procedures, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, was conducted in good faith, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, the Scheduling Order, and any other applicable rules, laws, and regulations. The Debtors, Colony Capital, the Purchasers, the Prepetition Agent, the Consenting Lenders, the DIP Lenders, the DIP Agent, and their respective successors, predecessors, control persons, members, officers, directors, employees and agents and their respective attorneys, financial advisors, investment bankers,

accountants, and other professionals retained by such persons, the Reorganized Debtors, and any and all affiliates, members, managers, shareholders, partners, employees, attorneys and advisors of the foregoing are entitled to the protection of section 1125(e) of the Bankruptcy Code.

H. Mailing and Publication of Combined Notice. On or before [ ], 2013, the Debtors caused to be mailed the Summary of Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code and Notice of Combined Hearing on (I) Adequacy of the Disclosure Statement and Solicitation Procedures and (II) Confirmation of Plan and Related Matters (the "Combined Notice") to all (a) the Notice Parties and (b) other parties in interest in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, and the Solicitation Procedures. *See* Affidavit/Declaration of Service of [ ] regarding Summary of Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code and Notice of Combined Hearing on (I) Adequacy of the Disclosure Statement and Solicitation Procedures and (II) Confirmation of Plan and Related Matters, dated [ ], 2013 [ECF No. [ ]]. Additionally, the Debtors published the Combined Notice in [ ] on [ ], 2013. *See* the Affidavit of Publication of [ ] in [ ] regarding Summary of Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code and Notice of Combined Hearing on (I) Adequacy of the Disclosure Statement and Solicitation Procedures and (II) Confirmation of Plan and Related Matters, dated [ ], 2013 [ECF No. [ ]]. The Debtors have given proper, adequate, and sufficient notice of the Combined Hearing, as required by Bankruptcy Rule 3017(a) and (d). Proper, adequate, and sufficient notice of the Disclosure Statement, Plan, and the deadlines for filing objections to the Disclosure Statement and Plan has been given to all known holders of

Claims and Interests and all Notice Parties, substantially in accordance with the Solicitation Order and Guidelines. No other or further notice was or shall be required.

I. Tabulation Results. On [ ], 2013, the Debtors filed the Certification of [ ] of [ ] With Respect to the Tabulation of Votes and the Results of the Prepetition Solicitation of the Plan Under Chapter 11 of the Bankruptcy Code, certifying the method and results of the Ballot tabulation for Class 2 (Prepetition Lender Claims). [Class 2 (Prepetition Lender Claims) voted to accept the Plan and, accordingly, pursuant to the requirements of section 1126 of the Bankruptcy Code, the Bankruptcy Court finds that Class 2 (Prepetition Lender Claims) accepted the Plan.] All procedures used to tabulate the Ballots were fair, reasonable, and conducted in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, the Scheduling Order, and all other applicable rules, laws, and regulations.

J. Joint Chapter 11 Plan. The Plan is a joint chapter 11 plan for each of the Debtors, with the Plan for each Debtor being nonseverable and mutually dependent on the Plan for each other Debtor.

K. Plan Supplement. On [ ], 2013, the Debtors filed the Plan Supplement, which includes, among other things, the substantially final forms of the Amended Organizational Documents. [The Plan Supplement was subsequently amended on [ ], 2013]. All such materials comply with the terms of the Plan, and the filing and notice of such documents is good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Guidelines, the Scheduling Order, and all other applicable rules, laws, and regulations, and no other or further notice is or shall be required.

L. [Modifications of the Plan. Modifications made to the Plan since the Solicitation complied in all respects with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and the provisions of the Investment Agreement and the Plan Support and Lock-Up Agreement].

M. Administrative Expense Claims. The Debtors maintain accurate books and records of all amounts owed for goods and services provided to the Debtors postpetition.

Compliance with the Requirements of Section 1129 of the Bankruptcy Code

N. Plan Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code and, as required by Bankruptcy Rule 3016, the Plan is dated and identifies the Debtors as proponents, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

(a) Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Expense Claims, Fee Claims (Section 2.2 of the Plan), Priority/Secured Tax Claims, and DIP Claims, which need not be classified, Sections 3 and 4 of the Plan classify eight (8) Classes of Claims and Interests for each of the Debtors. The Claims and Interests placed in each Class are substantially similar to other Claims and Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan, and such Classes do not unfairly discriminate between holders of Claims and Interests. The Plan therefore satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

(b) Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Sections 3 and 4 of the Plan specify that holders of Claims in Class 1 (Priority Non-Tax Claims), Class 3 (Other Secured Claims), Class 4 (General Unsecured Claims), and Class 5 (Intercompany Claims) and

holders of Interests in Class 6 (Interests in Subsidiary Debtors) are unimpaired under the Plan within the meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Sections 3 and 4 of the Plan designate holders of Claims in Class 2 (Prepetition Lender Claims), and holders of Interests in Class 7 (Series B Preferred Interests in LodgeNet Interactive) and Class 8 (Interests in LodgeNet Interactive) as impaired within the meaning of section 1124 of the Bankruptcy Code and specify the treatment of the Claims and Interests in those Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

(e) Implementation of the Plan (11 U.S.C. § 1123(a)(5)). The Plan and the various documents and agreements set forth in the Plan Supplement provide adequate and proper means for the implementation of the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code, including (i) all corporate action as set forth more fully in Section 5 of the Plan, (ii) the issuance of New Common Stock and warrants to purchase New Common Stock, (iii) the use of proceeds of the transaction set forth in the Investment Agreement, (iv) the entry into a settlement with DIRECTV, (v) the entry into the Exit Term Loan and Exit Revolver, (vi) the satisfaction of the obligations outstanding under, and termination of the DIP Loan Agreement, (vii) the cancellation of existing securities and agreements, (viii) the expiration of the terms of the current members of the board of directors and the assumption of employment

agreements with the officers of the respective Reorganized Debtors, and (ix) the release of any Lien securing any Secured Claim except as otherwise specifically provided in the Plan with respect to Class 2 (Prepetition Lender Claims) and Class 3 (Other Secured Claims).

(f) Non-Voting Equity Securities / Allocation of Voting Power (11 U.S.C. § 1123(a)(6)). The amended certificate of incorporation of LodgeNet Interactive prohibits the issuance of non-voting equity securities, thereby satisfying section 1123(a)(6) of the Bankruptcy Code, and authorizes the issuance of one (1) class of common stock (the New Common Stock). Pursuant to the Plan, only the New Common Stock and warrants to purchase the New Common Stock are being issued. The issuance of the New Common Stock and warrants to purchase the New Common Stock complies with section 1123(a)(6) of the Bankruptcy Code. On or before the Effective Date, pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, the amended certificate of incorporation of LodgeNet Interactive, and the certificates of incorporation of the remaining Debtors shall also be amended as necessary to satisfy the provisions of the Bankruptcy Code and shall include, among other things, a provision prohibiting the issuance of non-voting equity securities. On the Effective Date, the board of directors of each Reorganized Debtor shall be deemed to have adopted the restated bylaws for such Reorganized Debtor.

(g) Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Plan Supplement and Section 5.9(b) of the Plan contain provisions with respect to the manner of selection of directors and officers of the Reorganized Debtors that are consistent with the interests of creditors, equity security holders, and public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code.

(h) Impairment/Unimpairment of Classes of Claims and Interests (11 U.S.C. § 1123(b)(1)). Pursuant to Sections 3 and 4 of the Plan, (a) holders of Claims in Class 2 (Prepetition Lender Claims), and Interests in Class 7 (Series B Preferred Interests in LodgeNet Interactive) and Class 8 (Interests in LodgeNet Interactive) are impaired; and (b) holders of Claims in Class 1 (Priority Non-Tax Claims), Class 3 (Other Secured Claims), Class 4 (General Unsecured Claims), and Class 5 (Intercompany Claims), and Interests in Class 6 (Interests in Subsidiary Debtors) are unimpaired, as contemplated by section 1123(b)(1) of the Bankruptcy Code.

(i) Assumption and Rejection (11 U.S.C. § 1123(b)(2)). Section 8.1 of the Plan governing the assumption and rejection of executory contracts and unexpired leases meets the requirements of section 365(b) of the Bankruptcy Code.

(j) Modification of Rights (11 U.S.C. § 1123(b)(5)). In accordance and in compliance with section 1123(b)(5) of the Bankruptcy Code, the Plan properly modifies the rights of holders of Claims in Class 2 (Prepetition Lender Claims). The Plan also leaves unaffected the rights of holders of Claims in Class 1 (Priority Non-Tax Claims), Class 3 (Other Secured Claims), Class 4 (General Unsecured Claims), and Class 5 (Intercompany Claims).

(k) Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The provisions of the Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b)(6) of the Bankruptcy Code.

(l) Debtors Are Not Individuals (11 U.S.C. § 1123(c)). The Debtors are not individuals and, accordingly, section 1123(c) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

(m) Cure of Defaults (11 U.S.C. § 1123(d)). Section 8.3 of the Plan provides for the satisfaction of default claims associated with each executory contract and unexpired lease to be assumed pursuant to the Plan in accordance with section 365(b)(1) of the Bankruptcy Code. All Cure amounts will be determined in accordance with the underlying agreements and applicable bankruptcy and non-bankruptcy law. Thus, the Plan complies with section 1123(d) of the Bankruptcy Code

O. The Debtors' Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code. Specifically:

(a) Each of the Debtors is an eligible debtor under section 109 of the Bankruptcy Code;

(b) The Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Bankruptcy Court; and

(c) The Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126(b), the Bankruptcy Rules, the Local Rules, the Guidelines, the Scheduling Order, applicable non-bankruptcy law, and all other applicable laws, rules, and regulations in transmitting the Plan, the Plan Supplement, the Disclosure Statement, the Ballots, and related documents and notices and in soliciting and tabulating the votes on the Plan.

P. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan (including the Investment Agreement, the DIRECTV Settlement (as defined herein), the DIRECTV Agreement, the Exit Loan Agreement, and the Exit Revolver Agreement contemplated thereunder, and all documents necessary to effectuate the Plan) in good faith and

not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and record of these Chapter 11 Cases, the Disclosure Statement, and the record of the Combined Hearing and other proceedings held in these Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' estates and to effectuate a successful reorganization of the Debtors. Each of the Plan (including all documents necessary to effectuate the Plan), the Investment Agreement, the Definitive Documents, and the Plan Support Agreement were negotiated in good faith and at arms' length among representatives of the Debtors, Colony Capital, the Purchasers, the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Lenders, and their respective professionals, and the Debtors, Colony Capital, and the Purchasers, as well as the individual signatories to the Plan Support and Lock-Up Agreement, support confirmation of the Plan. Further, the Plan's classification, indemnification, exculpation, release, and injunction provisions have been negotiated in good faith and at arms' length, are consistent with sections 105, 1122, 1123(b)(6), 1123(b)(3)(A), 1129, and 1142 of the Bankruptcy Code, and are each integral to the Plan, supported by valuable consideration, and necessary for the Debtors' successful reorganization.

Q. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)).

(a) Any payment made or to be made by the Debtors for services or for costs and expenses of the Debtors' professionals in connection with their Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

(b) As part of the negotiated terms on which the DIP Agent, the DIP Lenders, the Prepetition Agent, the Consenting Lenders, the Purchaser Representative and its affiliates agreed to proceed with the consensual, restructuring reflected in the Plan, the Debtors have agreed to pay, without any requirement to file any proof of claim, retention application, fee application, or other application in these Chapter 11 Cases, the reasonable and documented fees and expenses of certain professional advisors to such parties as set forth in the Investment Agreement and the Plan.

R. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the initial directors and officers of the Reorganized Debtors after confirmation of the Plan have been fully disclosed to the extent such information is available, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of Claims against and Interests in the Debtors and with public policy. As set forth in the Plan, upon and following the Effective Date, the new board of directors of Reorganized LodgeNet Interactive (the "New Board") shall be comprised of [ ] members, each of whom is identified in [ ]. Each member of the new boards of directors for each of the Reorganized Subsidiary Debtors and each member of the New Board will serve in accordance with the terms and subject to the conditions of the amended certificates of incorporation and bylaws, and other relevant organizational documents, each as applicable. The identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation have also been fully disclosed, to the extent necessary.

S. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for rate changes by any of the Reorganized Debtors. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable in these Chapter 11 Cases.

T. Best Interest of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The liquidation analysis provided in the Disclosure Statement and other evidence proffered or adduced at the Combined Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each holder of an impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

U. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). Class 1 (Priority Non-Tax Claims, Class 3 (Other Secured Claims), Class 4 (General Unsecured Claims), Class 5 (Intercompany Claims), and Class 6 (Interests in Subsidiary Debtors) are Classes of unimpaired Claims or Interests that are conclusively presumed to have accepted the Plan in accordance with section 1126(f) of the Bankruptcy Code. [Class 2 (Prepetition Lender Claims] has voted to accept the Plan in accordance with sections 1126(b) and (c) of the Bankruptcy Code, without regard to the votes of insiders of the Debtors.] Holders of Interests in Class 7 (Series B Preferred Interest in LodgeNet Interactive) and Class 8 (Interests in LodgeNet Interactive) are impaired by the Plan and are not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Pursuant to section 1129(b)(1) of the Bankruptcy Code, the Plan may be confirmed notwithstanding the fact that holders of Interests in Class 7 (Series B Preferred Interest in LodgeNet Interactive) and

Class 8 (Interests in LodgeNet Interactive) are impaired and are deemed to have rejected the Plan.

V. Treatment of Administrative Expense Claims, Priority/Secured Tax Claims, DIP Claims and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Allowed Administrative Expense Claims pursuant to Section 2.1 of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Priority Non-Tax Claims pursuant to Section 4.1 of the Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The treatment of Priority/Secured Tax Claims pursuant to Section 2.3 of Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code. The treatment of DIP Claims pursuant to Section 2.4 of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. On and after the Effective Date, (i) all Allowed Administrative Expense Claims (including Restructuring Expenses), Priority Non-Tax Claims and Priority/Secured Tax Claims shall be paid in the ordinary course of business of the Reorganized Debtors as set forth in the Plan and this Confirmation Order, subject to parties' ability to dispute such Claims in accordance with Section 7 of the Plan and applicable non-bankruptcy law, and (ii) all DIP Claims shall be paid in full in Cash on the Effective Date, other than the Roll-Up DIP Claims which will automatically be deemed to be amounts outstanding under the Exit Term Loan.

W. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). [Class 2 (Prepetition Lender Claims) voted to accept the Plan by the requisite majorities, determined without including any acceptance of the Plan by any insider, thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.]

X. Prepetition Lender Claims of Debtors or Non-Debtor Affiliates. All Prepetition Lender Claims held by the Debtors or any affiliate of the Debtors are deemed waived and not Allowed.

Y. Feasibility (11 U.S.C. § 1129(a)(11)). The information in the Disclosure Statement, the [ ] Declaration and the evidence proffered or adduced at the Combined Hearing (i) is persuasive and credible, (ii) has not been controverted by other evidence, and (iii) establishes that the Plan is feasible and that there is a reasonable prospect of the Reorganized Debtors being able to meet their financial obligations under the Plan and their business in the ordinary course and that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

Z. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees payable under section 1930 of title 28, United States Code, as determined by the Bankruptcy Code, have been or will be paid on or before the Effective Date pursuant to Section 12.1 of the Plan, thereby satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code.

AA. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). The Debtors have no obligations with respect to retiree benefits. Accordingly, section 1129(a)(13) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

BB. No Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. Accordingly, section 1129(a)(14) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

CC. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals, and accordingly, section 1129(a)(15) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

DD. No Applicable Non-bankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)). The Debtors are each a moneyed, business, or commercial corporation, and accordingly, section 1129(a)(16) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

EE. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). Class 7 (Series B Preferred Interests in LodgeNet Interactive) and Class 8 (Interests in LodgeNet Interactive) are deemed to have rejected the Plan. Based upon the evidence proffered, adduced, and presented by the Debtors at the Combined Hearing, the Plan does not discriminate unfairly with respect to and is fair and equitable with respect the aforementioned Classes, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code, because no holder of any interest that is junior to each such Class will receive or retain any property on account of such junior interest, and no holder of a Claim in a Class senior to such Classes is receiving more than 100% on account of its Claim. Thus, the Plan may be confirmed notwithstanding the deemed rejection of the Plan by these Classes.

FF. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan filed in each of these cases, and accordingly, section 1129(c) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

GG. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act and no governmental entity has objected to the confirmation of the Plan on

any such grounds. The Plan, therefore, satisfies the requirements of section 1129(d) of the Bankruptcy Code.

HH. Good Faith Solicitation (11 U.S.C. § 1125(e)). Based on the record before the Bankruptcy Court in these Chapter 11 Cases, including evidence presented at the Combined Hearing, the Debtors, the Reorganized Debtors, Colony Capital, the Purchasers, the DIP Lenders, the DIP Agent, the Prepetition Agent and any signatory to the Plan Support and Lock-Up Agreement, and their respective successors, predecessors, control persons, members, officers, directors, employees and agents and their respective attorneys, financial advisors, investment bankers, accountants, and other professionals retained by such persons (i) have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code, Bankruptcy Rules, the Local Rules, the Guidelines, and any applicable non-bankruptcy law, rule, or regulation governing the adequacy of disclosure in connection with all their respective activities relating to the solicitation of acceptances to the Plan and their participation in the activities described in section 1125 of the Bankruptcy Code and (ii) shall be deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Plan, and therefore are not, and on account of such offer, issuance and solicitation will not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or the offer and issuance of the securities under the Plan, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and, to the extent such parties are listed therein, the exculpation provisions set forth in Section 10.8 of the Plan.

II. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

JJ. Implementation. All documents necessary to implement the Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arms' length and shall, upon completion of documentation and execution (including the documentation of the Exit Term Loan and Exit Revolver), be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

KK. Executory Contracts and Unexpired Leases. The Debtors have exercised reasonable business judgment in determining whether to assume or reject executory contracts and unexpired leases pursuant to Section 8.1 of the Plan. Each assumption of an executory contract or unexpired lease pursuant to Section 8.1 of the Plan shall be legal, valid, and binding upon the Debtors or Reorganized Debtors and their successors and assigns and all non-Debtor parties and their successors and assigns to such executory contract or unexpired lease, all to the same extent as if such assumption have been effectuated pursuant to an order of the Bankruptcy Court under section 365 of the Bankruptcy Code entered before entry of this Confirmation Order. Moreover, the Debtors have appropriately cured, or provided adequate assurance that the Debtors or Reorganized Debtors or their successors and assigns, as applicable, will cure, defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Debtors pursuant to the Plan.

LL. Injunction, Exculpation, and Releases. The Bankruptcy Court has jurisdiction under sections 1334(a) and (b) of title 28 of the United States Code to approve the

injunctions or stays, injunction against interference with the Plan, releases, and exculpation set forth in Sections 10.4, 10.5, 10.6, 10.7, and 10.8 of the Plan, respectively. Section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the unopposed releases set forth in Sections 10.4, 10.5, 10.6, 10.7, and 10.8 of the Plan, respectively, if, as has been established here based upon the record in the Chapter 11 Cases and the evidence presented at the Combined Hearing, such provisions (i) were given in exchange for good and valuable consideration, (ii) were integral to the agreements among the various parties in interest, as reflected in the Plan Support and Lock-Up Agreement, Investment Agreement, Exit Loan Agreement, and Exit Revolver Agreement, and are essential to the formulation and implementation of the Plan, as provided in section 1123 of the Bankruptcy Code, (iii) confer substantial benefits on the Debtors' estates, (iv) are fair, equitable and reasonable, and (v) are in the best interests of the Debtors, their estates, and parties in interest. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the injunctions, releases, and exculpation set forth in the Plan and implemented by this Confirmation Order are fair, equitable, reasonable, and in the best interests of the Debtors, the Reorganized Debtors and their estates, creditors and equity holders. The releases of non-Debtors under the Plan are fair to holders of Claims, are necessary to the proposed reorganization, and are given in exchange for, and are supported by, fair, sufficient, and adequate consideration provided by each and all of the parties receiving such releases. The exculpations granted under the Plan are reasonable in scope as the exculpation provision does not relieve any party of liability for an act or omission to the extent such act or omission is the result of willful misconduct or gross negligence. The record of the Combined Hearing and these Chapter 11 Cases is sufficient to support the injunctions, releases, and exculpation provided for in Sections 10.4, 10.5, 10.6, 10.7, and 10.8 of the Plan.

Accordingly, based upon the record of these Chapter 11 Cases, the representations of the parties, and/or the evidence proffered, adduced, and/or presented at the Combined Hearing, this Bankruptcy Court finds that the injunctions, exculpation, and releases set forth in Section 10 of the Plan are consistent with the Bankruptcy Code and applicable law. The failure to implement the injunctions, exculpation, and releases would seriously impair the Debtors' ability to confirm the Plan.

MM. Settlement with DIRECTV. After extensive, good-faith negotiations between, among others, the Debtors and DIRECTV, the Debtors have determined that entry into a settlement with DIRECTV (the "DIRECTV Settlement"), as set forth in Section 5.4 of the Plan, is in the best interests of the Debtors, their Estates, and their creditors. Subject to entry of this Confirmation Order, LodgeNet Interactive has all of the power and authority necessary to consummate the transactions completed by the DIRECTV Settlement, including, but not limited to, entry into the DIRECTV Agreement. No consents or approvals, other than those expressly provided for in any motion to approve the DIRECTV Settlement pursuant to Bankruptcy Rule 9019, the DIRECTV Agreement, or this Confirmation Order, are required for the Debtors to close and consummate such transactions. The DIRECTV Settlement was proposed and entered into by the Debtors and DIRECTV without collusion, after good faith, arm's-length bargaining.

NN. Good Faith. The Debtors, Colony Capital, the Purchasers and the lenders and the agents under the Exit Term Loan, and all of their respective members, officers, directors, agents, financial advisers, attorneys, employees, equity holders, partners, affiliates, and representatives will be acting in good faith if they proceed to (i) consummate the Plan and the

agreements, settlements, transactions, and transfers contemplated thereby and (ii) take the actions authorized and directed by this Confirmation Order.

OO. Exit Financing. Upon diligent inquiry, the Debtors have determined that the Exit Loan Agreement and Exit Revolver Agreement (together, the "Exit Financing") are the best financing alternatives available to the Debtors. The Exit Financing has been negotiated in good faith and on an arms' length basis and each party thereto may rely upon the provisions of this Confirmation Order in closing the Exit Financing. The availability of Exit Financing is necessary to the consummation of the Plan and the operation of the Reorganized Debtors, and constitutes reasonably equivalent value and fair consideration. The terms and conditions of the Exit Loan Agreement are described in the Exit Term Loan Term Sheet, annexed as Exhibit A to the Plan. [The Exit Revolver will be entered into on terms [reasonably] acceptable to Purchaser Representative and Requisite Consenting Lenders.] The terms of the Exit Financing are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration, and are in the best interests of the Debtors' estates and their creditors. The execution, delivery, or performance by the Debtors or Reorganized Debtors, as the case may be, of any documents in connection with the Exit Financing, in accordance with the Exit Term Loan Term Sheet or Exit Loan Agreement, as applicable, and compliance by the Debtors or Reorganized Debtors, as the case may be, with the terms thereof is authorized by, and will not conflict with, the terms of the Plan or this Confirmation Order. The financial accommodations to be extended pursuant to the Exit Financing documents are being extended in good faith, for legitimate business purposes, are reasonable, and shall not be subject to recharacterization for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any

other applicable non-bankruptcy law. The Exit Financing documents, any associated fee letters, and any definitive loan documentation, shall constitute legal, valid, binding and authorized obligations of the Reorganized Debtors enforceable in accordance with their terms. On the Effective Date, all of the liens and security interest to be granted in accordance with the Exit Financing documents shall be deemed approved and shall be legal, valid, binding and enforceable first priority liens on the collateral for the Exit Financing. The security interests and liens granted in accordance with the Exit Financing documents shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Debtors and/or Reorganized Debtors and the persons granted such liens and security interests are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary to establish and perfect such liens and security interests under the provisions of the applicable state, provincial, federal or other law (whether domestic or foreign) that would be applicable in the absence of this Confirmation Order. All fees, costs, and expenses paid or to be paid (if any) by the Reorganized Debtors in connection with the Exit Financing are hereby ratified and approved.

PP. Conditions Precedent to Effective Date. The conditions precedent to the Effective Date set forth in Section 9.1 of the Plan may be waived in writing by the Debtors (with the prior consent of Purchaser Representative in accordance with Purchaser Representative's consent rights set forth in the Investment Agreement, and the Requisite Consenting Lenders in accordance with the requisite Consenting Lender's consent rights set forth in the Plan Support and Lock-Up Agreement), solely without notice or order of the Bankruptcy Court.

QQ. Retention of Jurisdiction. The Bankruptcy Court may properly, and upon the Effective Date shall, retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases, including the matters set forth in Section 11 of the Plan and section 1142 of the Bankruptcy Code.

ORDER

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED, AND DETERMINED THAT:

1. Findings of Fact and Conclusions of Law. The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein and shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable herein by Bankruptcy Rule 9014. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be deemed so, and vice versa.

2. Combined Notice. The Combined Notice complied with the terms of the Scheduling Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, and applicable non-bankruptcy law.

3. Solicitation. The solicitation of votes on the Plan complied with the Solicitation Procedures, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Guidelines, and applicable non-bankruptcy law.

4. Ballots. The form of Ballot annexed to the Voting Certification is adequate and appropriate, is in compliance with Bankruptcy Rule 3018(c) and the Guidelines, conforms to Official Form No. 14, and is approved in all respects.

5. The Disclosure Statement. The Disclosure Statement (a) contains adequate information of a kind generally consistent with the disclosure requirements of applicable non-bankruptcy law, including the Securities Act, (b) contains "adequate information" (as such term is defined in section 1125(a)(1) and used in section 1126(b)(2) of the Bankruptcy Code) with respect to the Debtors, the Plan, and the transactions contemplated therein, and (c) is approved in all respects. To the extent that the Debtors' solicitation of acceptances of the Plan is deemed to constitute an offer of new securities, the Debtors are exempt from the registration requirements of the Securities Act (and of any equivalent state securities or "blue sky" laws) with respect to such solicitation under section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder. Section 4(a)(2) exempts from registration under the Securities Act all "transactions by an issuer not involving any public offering." 15 U.S.C. § 77d(2). The Debtors have complied with the requirements of section 4(a)(2) of the Securities Act and Regulation D thereunder, as the prepetition solicitation of acceptances would constitute a private placement of securities. The solicitation to creditors was made only to those creditors who are "Accredited Investors" as defined in Regulation D under the Securities Act, as creditors were required to certify on their Ballots that they were accredited investors.

6. Confirmation of the Plan. The Plan and each of its provisions shall be, and hereby are, CONFIRMED under section 1129 of the Bankruptcy Code. The documents contained in the Plan Supplement are authorized and approved. The terms of the Plan, including the Plan Supplement, are incorporated by reference into and are an integral part of this Confirmation Order.

7. Objections. All Objections, responses to, and statements and comments, if any, in opposition to, the Plan and/or the Disclosure Statement, respectively, other than those

withdrawn with prejudice in their entirety prior to, or on the record at, the Combined Hearing, shall be, and hereby are, overruled in their entirety for the reasons stated on the record.

8. Binding Effect. Pursuant to section 1141 and the other applicable provisions of the Bankruptcy Code, on or after entry of this Confirmation Order and subject to the occurrence of the Effective Date, the provisions of the Plan (including the exhibits thereto and all documents and agreements executed pursuant thereto or in connection therewith) and this Confirmation Order shall bind the Debtors, the Reorganized Debtors, all holders of Claims and Interests of the Debtors (irrespective of whether such Claims or Interests are impaired under the Plan or whether the holders of such Claims or Interests accepted or are deemed to have accepted the Plan), any other person giving, acquiring, or receiving property under the Plan, any and all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, any other party in interest in the Chapter 11 Cases, and the respective heirs, executors, administrators, successors, or assigns, if any, of any of the foregoing. On the Effective Date, all settlements, compromises, releases, waivers, discharges, exculpations, and injunctions set forth in the Plan shall be effective and binding on Persons who may have had standing to assert any settled, compromised, released, waived, discharged, exculpated, or enjoined Causes of Action after the Effective Date.

9. Free and Clear. From and after the Effective Date, the Reorganized Debtors shall be vested with all property of the respective Estates, free and clear of all Claims, Liens, encumbrances, charges and other interests, except as and to the extent provided pursuant to the Plan, this Confirmation Order, the Exit Loan Agreement, the Exit Revolver Agreement, and the Amended and Restated Guarantee and Collateral Agreement. From and after the Effective Date, the Reorganized Debtors may operate each of their businesses and use, acquire or

dispose of property free of any restrictions imposed by the Bankruptcy Code or the Bankruptcy Rules, the Bankruptcy Court, or the United States Trustee (except for quarterly operating reports and fees associated therewith).

10. DIP Claims. On the Effective Date, all DIP Claims shall be Allowed and, other than any Roll-Up DIP Claims, paid in full in Cash on the Effective Date. In accordance with Section 5.6 of the Plan, all Roll-Up DIP Claims shall be deemed to be outstanding amounts under the Exit Loan Agreement. Upon payment or satisfaction in full of all Allowed DIP Claims in accordance with the Plan, all Liens and security interests granted to secure such obligations shall be terminated and of no further force or effect. Notwithstanding any provision of the Confirmation Order or the Plan, all obligations of the Debtors (if any) to the DIP Agent and the DIP Lenders under the DIP Loan Agreement which are expressly stated in the DIP Loan Agreement as surviving such agreement's termination (including, without limitation, indemnification and expense reimbursement obligations) shall, as so specified, survive without prejudice and remain in full force and effect. On the Effective Date and upon the payment of all Allowed DIP Claims in full in Cash and the conversion of the Roll-Up DIP Claims, the commitments (if any) under the DIP Loan Agreement shall be terminated.

11. Sources of Consideration for Plan Distributions. All consideration necessary for the Reorganized Debtors to make payments pursuant to the Plan shall be obtained from existing Cash balances of the Debtors, the purchase price specified in the Investment Agreement, the Exit Term Loan, the Exit Revolver, and the operations of the Debtors or the Reorganized Debtors. The Reorganized Debtors may also make such payments using Cash received from their subsidiaries through the Reorganized Debtors' consolidated cash management systems.

12. Implementation of the Plan. The Debtors and the Reorganized Debtors shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases, and other agreements, including those contained in the Plan Supplement, and take such other actions as may be necessary to effectuate, implement, and further evidence the terms and conditions of the Plan, including all such actions delineated in Section 5 of the Plan. The approvals and authorizations set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of the Debtors or the Reorganized Debtors or any officer or director thereof to take any and all actions necessary or appropriate to implement, effectuate, and consummate any and all documents or transactions contemplated by the Plan or this Confirmation Order, to the extent consistent with the Investment Agreement and the Plan Support and Lock-Up Agreement. On the Effective Date, the appropriate officers or representatives of the Reorganized Debtors and members of the boards of directors of the same are authorized and empowered to issue, execute, file and deliver or record such documents, contracts, instruments, releases and other agreements, including those contained in the Plan Supplement, contemplated by the Plan, in the name of and on behalf of the Reorganized Debtors. On the Effective Date, the terms of the current members of the boards of directors of each of the Debtors shall be deemed to have expired. The boards of directors of the Reorganized Debtors shall, as of the Effective Date, consist of the individuals identified in the Plan Supplement and in paragraph [R] hereof, without the need for any further action.

13. Issuance of New Common Stock and New Warrants. Reorganized LodgeNet Interactive is authorized to issue the New Common Stock and warrants to purchase New Common Stock to the Purchasers and the persons designated as warrant holders under the Investment Agreement. The New Common Stock and warrants to purchase New Common Stock

shall be, upon execution and delivery, legal, valid, and binding obligations of Reorganized LodgeNet Interactive and enforceable against Reorganized LodgeNet Interactive in accordance with their terms.

14. Settlement with DIRECTV. On the Effective Date, pursuant to Bankruptcy Rule 9019, LodgeNet Interactive is hereby authorized and directed to consummate the DIRECTV Settlement. Except with respect to enforcing the terms of the DIRECTV Settlement, DIRECTV Agreement, or this Confirmation Order, no person shall take any action to prevent, enjoin or otherwise interfere with the consummation of the DIRECTV Settlement. On or (as applicable) prior to the Effective Date, the Debtors or Reorganized Debtors, as applicable, will be authorized to and directed to issue, execute, and deliver the agreements, documents, and instruments contemplated by the DIRECTV Settlement or the Plan (or necessary or desirable to effect the transaction contemplated by the DIRECTV Settlement or the Plan) in the name of and on behalf of the Reorganized Debtors, including, without limitation, any and all agreements, documents, and instruments related to the foregoing, all to the extent provided in the Investment Agreement. Such authorizations and approvals will be effective notwithstanding any requirements under non-bankruptcy law. The transactions contemplated by the DIRECTV Settlement have been undertaken by the Debtors and DIRECTV in good faith. There is no legal or equitable reason to delay the transactions contemplated by the DIRECTV Settlement.

15. Compliance with Section 1123(a)(6) of the Bankruptcy Code. The amended certificate of incorporation of LodgeNet Interactive and the terms governing the issuance of the New Common Stock and warrants to purchase New Common Stock comply in all respects with section 1123(a)(6) of the Bankruptcy Code, and are hereby approved. The adoption and filing by Reorganized LodgeNet Interactive of the amended certificate of

incorporation of LodgeNet Interactive is hereby authorized, ratified, and approved. The Debtors have complied in all respects, to the extent necessary, with section 1123(a)(6) of the Bankruptcy Code.

16. Exemption from Securities Law. The issuance of and the distribution of (i) New Common Stock to Purchasers, and any designees, under section 5.2 of the Plan, and (ii) warrants to purchase New Common Stock to entities identified on Schedule C to the Investment Agreement under section 5.2 of the Plan shall be exempt from registration under the Securities Act of 1933, as amended, and other applicable securities laws without further act or action by any Person pursuant to section 4(a)(2) of the Securities Act of 1933, as amended.

17. Cancellation of Existing Securities and Agreements. On the Effective Date, except for executory contracts and unexpired leases that have been assumed by the Debtors, all of the agreements and other documents evidencing (a) the Claims or rights of any holder of a Claim against the Debtors, including all credit agreements, and notes evidencing such Claims, (b) the Interests in LodgeNet Interactive, (c) any options or warrants to purchase Interests of LodgeNet Interactive, or obligating such Debtors to issue, transfer or sell Interests or any other capital stock of such Debtors, shall be amended, restated, substituted for or cancelled, as the case may be, other than for purposes of evidencing a right to distributions under the Plan with respect to executory contracts or unexpired leases which have not been assumed by the Debtors.

18. Cancellation of Liens. Except as otherwise specifically provided in the Plan with respect to Classes 2 and 3, any Lien securing any Secured Claim shall be released, and the holder of such Secured Claim shall be authorized and directed to release any collateral or other property of the Debtors (including any Cash collateral) held by such holder and to take

such actions as may be requested by the Reorganized Debtors, to evidence the release of such Lien, including the execution, delivery and filing or recording of such releases as may be requested by the Reorganized Debtors.

19. Subordination. Except as otherwise expressly provided in the Plan, this Confirmation Order, or a separate order of this Bankruptcy Court, the classification and manner of satisfying all Claims and Interests under the Plan takes into consideration all subordination rights, whether arising by contract or under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. All subordination rights that a holder of a Claim or Interest may have with respect to any distribution to be made under the Plan shall be discharged and terminated and all actions related to the enforcement of such subordination rights shall be enjoined permanently. Accordingly, the distributions under the Plan to the holders of Allowed Claims will not be subject to payment of a beneficiary of such subordination rights, or to levy, garnishment, attachment, or other legal process by a beneficiary of such terminated subordination rights.

20. Agreements with Existing Management. Except as otherwise provided in the Plan Supplement, or as determined by Purchaser Representative prior to the Combined Hearing, officers of the respective Reorganized Debtors immediately before the Effective Date shall serve as the initial officers of each of the respective Reorganized Debtors on or after the Effective Date and in accordance with any employment agreement with the Reorganized Debtors and applicable non-bankruptcy law. After the Effective Date, the selection of officers of the Reorganized Debtors shall be as provided by their respective organizational documents.

21. Management Incentive Plan. To the extent determined by Purchaser Representative in its sole discretion, Reorganized LodgeNet Interactive shall adopt the new management incentive plan set forth in the Plan Supplement.

22. Assumption or Rejection of Contracts and Leases. Pursuant to Section 8.1 of the Plan, effective as of the Effective Date, all executory contracts and unexpired leases to which any of the Debtors are parties are deemed assumed, pursuant to section 365 of the Bankruptcy Code, except for an executory contract or unexpired lease that (a) has previously been assumed or rejected pursuant to Final Order of the Bankruptcy Court, (b) is specifically designated as a contract or lease to be rejected on the schedule of contracts and leases filed and served prior to commencement of the Combined Hearing, (c) is the subject of a separate (i) assumption motion filed by the Debtors or (ii) rejection motion filed by the Debtors, each under section 365 of the Bankruptcy Code before the entry of this Confirmation Order. This Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365(b) and 1123(b) of the Bankruptcy Code approving the contract or lease assumptions or rejections described above, effective as of the Effective Date, and all objections, if any, are overruled.

23. Notice of Assumption and Cure Amounts. To the extent that an objection to assumption, cure, "adequate assurance of future performance," or other issues related to assumption of the contract or lease was filed within fifteen (15) days of service by the Debtors of notice of intent to assume or reject (the "Assumption/Cure Response Deadline"), and properly served on the Debtors with respect to the assumption of any contract or lease, then any Cure Dispute that was not scheduled for a hearing by the Bankruptcy Court on or before the date of the Combined Hearing shall be scheduled for a later date as may be determined by the Bankruptcy Court. Following resolution of a Cure Dispute by Final Order of the Bankruptcy

Court, the contract or lease shall be deemed assumed effective as of the Effective Date, provided, however, that the Debtors reserve the right to reject any such contract or lease following entry of a Final Order of the Bankruptcy Court resolving any such Cure Dispute, by filing a notice indicating such rejection within 3 Business Days of the entry of such Final Order

24. To the extent that an objection was not filed and properly served on the Debtors with respect to the assumption of a contract or lease prior to the Assumption/Cure Response Deadline, then the counterparty to such contract or lease shall be deemed to have assented to (i) the Cure amount proposed by the Debtors and (ii) the assumption of the applicable executory contract or unexpired lease, notwithstanding any provision of such contract that (a) prohibits, restricts or conditions the transfer or assignment of such contract or (b) terminates or permits the termination of a contract as a result of any direct or indirect transfer or assignment of the rights of the Debtor under such contract or a change in the ownership or control of LodgeNet Interactive contemplated by the Plan, and shall forever be barred and enjoined from asserting such objection against the Debtors or terminated or modifying such contract on account of transactions contemplated by the Plan.

25. Assumption of Investment Agreement. LodgeNet Interactive hereby assumes the Investment Agreement as of the date hereof pursuant to section 365 of the Bankruptcy Code; provided that, if LodgeNet Interactive or any if its affiliates breaches the Investment Agreement prior to the Effective Date, Claims for damages, if any, relating to such breach against LodgeNet Interactive or any of its debtor affiliates by any non-Lodgenet Interactive party to the Investment Agreement shall not be entitled to status as Administrative Expense Claims against the estate of LodgeNet Interactive or any of its debtor affiliates.

26. Conditions to Effective Date. The Plan shall not become effective unless and until the conditions set forth in Section 9.1 of the Plan have been satisfied or waived pursuant to Section 9.2 of the Plan. In the event that one or more of the conditions specified in Section 9.1 of the Plan have not occurred and the Effective Date has not occurred by the date that is thirty (30) days after the Confirmation Date or otherwise waived pursuant to Section 9.2 of the Plan, (i) this Confirmation Order shall be of no further force or effect; (ii) no distributions under the Plan shall be made; (iii) the Debtors and all holders of Claims (including DIP Claims) and Interests in the Debtors shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never occurred; (iv) all of the Debtors' obligations with respect to the Claims (including DIP Claims) and Interests shall remain unaffected by the Plan and nothing contained in the Plan or in this Confirmation Order shall constitute or be deemed a waiver or release of any Claims (including DIP Claims) or Interests by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors; (v) and the Plan shall be deemed withdrawn.

27. Effect of Termination of Investment Agreement. Upon the termination of the Investment Agreement at any time prior to the Effective Date, (i) the Plan shall automatically be null and void; (ii) all votes cast in respect of the Plan shall automatically be null and void and deemed withdrawn; and (iii) all of the Debtors' obligations with respect to the Claims and the Interests shall remain unchanged by the Plan and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other entity or to prejudice in any manner the rights of the Debtors or any other entity in any further proceedings involving the Debtors or otherwise.

28. Effect of Termination of Plan Support and Lock-Up Agreement. Upon the termination of the Plan Support and Lock-Up Agreement at any time prior to the Effective Date, (i) the Plan shall automatically be null and void; (ii) all votes cast in respect of the Plan shall automatically be null and void and deemed withdrawn; and (iii) all of the Debtors' obligations with respect to the Claims and the Interests shall remain unchanged by the Plan and nothing contained therein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other entity or to prejudice in any manner the rights of the Debtors or any other entity in any further proceedings involving the Debtors or otherwise.

29. Professional Compensation. Except as provided in Sections 2.1 and 2.2 of the Plan, all entities seeking awards by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code shall (a) file, on or before the date that is thirty (30) days after the Effective Date , their respective applications for final allowances of compensation for services rendered and reimbursement of expenses incurred (a "Final Fee Application") and (b) be paid in full from the Debtors' or Reorganized Debtors' Cash on hand in such amounts as are Allowed by the Bankruptcy Court (i) upon the later of (A) the Effective Date and (B) the date upon which the order relating to any such Allowed Fee Claim is entered or (ii) upon such other terms as may be mutually agreed upon between the holder of such an Allowed Fee Claim and the Debtors or, on and after the Effective Date, the Reorganized Debtors. Notice of a hearing (the "Final Fee Hearing") on the Final Fee Applications shall be provided in accordance with the Bankruptcy Rules and Local Rules. The Reorganized Debtors are authorized to pay compensation for professional services rendered and

reimbursement of expenses incurred after the Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

30. Objections to Final Fee Applications. All objections to any Final Fee Applications shall be filed with the Bankruptcy Court, together with proof of service thereof, and served upon the applicant and the parties identified in Section 12.12 of the Plan, so as to be received not later than 4:00 p.m. prevailing Eastern Time on the date that is five (5) Business Days prior to the Final Fee Hearing.

31. Administrative Expenses. Subject to the terms and conditions of any interim or final order of the Bankruptcy Court authorizing the use of cash collateral and the DIP Order, administrative expenses incurred by the Debtors or the Reorganized Debtors after the Effective Date, including Restructuring Expenses and Claims for professionals' fees and expenses, shall not be subject to application and may be paid by the Debtors or the Reorganized Debtors, as the case may be, in the ordinary course of business and without further Bankruptcy Court approval subject to the Investment Agreement.

32. Discharge. As of the Effective Date, the confirmation of the Plan shall, pursuant to Section 10.3 of the Plan and except as otherwise provided in the Plan, (a) discharge and release all Claims against or Interests in the Debtors of any nature whatsoever, including any interest accrued on such claims from and after the Commencement Date, against the Debtors or any of their assets, property or estates; (b) bind all holders of Claims and Interests, notwithstanding whether any such holders failed to vote to accept or reject the Plan or voted to reject the Plan; (c) satisfy, discharge, and release in full all Claims and Interests, and the Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) preclude all entities

from asserting against the Debtors, the Debtors' Estates, the Reorganized Debtors, their successors and assigns and their assets and properties any other claims or interests based upon any documents, instruments or any act or omission, transaction or other activity of any kind or nature that occurred before the Effective Date, known or unknown, including any interest accrued or expenses incurred thereon from and after the Commencement Date, or against their estates or properties or interests in property, and except as provided otherwise in the Plan, all persons or entities shall be precluded from asserting against the Debtors or the Reorganized Debtors or their respective properties or interests in property, any other Claims based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date.

33. Releases by the Debtors. Except for the right to enforce the Plan, the Debtors, the Reorganized Debtors, and the Estates shall, effective upon the occurrence of the Effective Date, and in consideration for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, be deemed to release and discharge the Released Parties from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, the Reorganized Debtors, the Estates or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized

Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Support and Lock-Up Agreement, the Investment Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement, or related agreements, instruments or other documents, the solicitation of votes with respect to the Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; except that nothing in this Confirmation Order or the Plan shall be construed to release any party or entity from intentional fraud or criminal conduct as determined by Final Order. Notwithstanding the foregoing or anything else in the Plan or this Confirmation Order, nothing herein shall adversely affect the right of any party in interest to object to Claims pursuant to Section 7.2 of the Plan or adversely affect the basis or grounds for any such objection or of any defense or response thereto.

34. Releases by Holders of Claims and Interests. Except for the right to enforce the Plan, each Releasing Party shall, effective upon the occurrence of the Effective Date, and in consideration for good and valuable consideration, including the obligations of the Debtors under the Plan and the contributions of the Released Parties to facilitate and implement the Plan, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Debtors, the Reorganized Debtors and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative Claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in

law, equity or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Plan Support and Lock-Up Agreement, the Exit Loan Agreement, the DIP Loan Agreement, the Exit Revolver Agreement, the Investment Agreement, or related agreements, instruments or other documents, the solicitation of votes with respect to the Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date; except that nothing in this Confirmation Order or the Plan shall be construed to release any party or entity from intentional fraud or criminal conduct as determined by Final Order.

35. Release and Exculpation Provisions. All release and exculpation provisions embodied in the Plan, including but not limited to those contained in Sections 10.6, 10.7 and 10.8 of the Plan, are (i) integral parts of the Plan, (ii) fair, equitable and reasonable, (iii) appropriate in scope, (iv) given for good and valuable consideration and (v) are in the best interest of the Debtors and all parties in interest, and such provisions are approved and shall be effective and binding on all persons and entities, to the extent provided therein.

36. Retention of Causes of Action/Reservation of Rights.

(a) Except as otherwise provided in the Plan, including in Sections 10.5, 10.6, 10.7 and 10.8 of the Plan, pursuant to section 1123(b) of the Bankruptcy Code, the Reorganized

Debtors shall retain and may enforce, sue on, settle or compromise (or decline to do any of the foregoing) all claims, rights, causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their estates may hold against any person or entity without the approval of the Bankruptcy Court, including, without limitation, (i) any and all Claims against any person or entity, to the extent such person or entity asserts a crossclaim, counterclaim and/or Claim for setoff which seeks affirmative relief against the Debtors, the Reorganized Debtors, their officers, directors or representatives; and (ii) the turnover of any property of the Debtors' estates; *provided*, *however* that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties except as provided in paragraph 31 hereof. The Reorganized Debtors or their successor(s) may pursue such retained claims, rights, or causes of action, suits or proceedings, as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

(b) Except as otherwise provided in the Plan, including in Sections 10.5, 10.6, 10.7 and 10.8 of the Plan, nothing contained in the Plan or this Confirmation Order shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, right of setoff or other legal or equitable defense which the Debtors had immediately before the Commencement Date, against or with respect to any Claim left Unimpaired by the Plan; *provided*, *however* that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties. The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, rights of setoff and other legal or equitable defenses which they had immediately before the Commencement Date with respect to any Claim left Unimpaired by the Plan as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors'

legal and equitable rights respecting any Claim left Unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

37. Term of Injunctions or Stays. Pursuant to Sections 10.4 and 10.5 of the Plan, this Confirmation Order shall, except as provided in Section 7 of the Plan, constitute an injunction from and after the Effective Date, permanently enjoining all Persons or entities who have held, hold or may hold Claims against or Interests in any Debtor from (i) commencing or continuing in any manner any action or other proceeding of any kind on any such Claim or Interest against any Reorganized Debtor, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against any Reorganized Debtor with respect to any such Claim or Interest, (iii) creating, perfecting or enforcing any encumbrance of any kind against any Reorganized Debtor, or against the property or interests in property of any Reorganized Debtor, as applicable with respect to any such Claim or Interest, (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from any Reorganized Debtor, or against the property or interests in property of any Reorganized Debtor with respect to any such Claim or Interest, and (v) pursuing any Claim exculpated or released pursuant to Sections 10.6, 10.7, and 10.8 of the Plan. Pursuant to Section 10.4 of the Plan, unless otherwise provided in the Plan or this Confirmation Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay.

38. Indemnification Obligations. Pursuant to Section 8.5 of the Plan, subject to the occurrence of the Effective Date, the obligations of the Debtors pursuant to their corporate

charters, bylaws, or other organizational documents to indemnify current and former officers, directors, agents and/or employees with respect to all present and future actions or omissions, suits and proceedings against the Debtors or such directors, officers, agents and/or employees, based upon any act or omission occurring at or prior to the Effective Date for or on behalf of the Debtors shall not be discharged or impaired by confirmation of the Plan provided that the Reorganized Debtors shall not indemnify directors of the Debtors for any Claims or Causes of Action arising out of or relating to any act or omission that is a criminal act or constitutes intentional fraud. All such obligations shall be deemed and treated as executory contracts to be assumed by the Debtors under the Plan and shall continue as obligations of the Reorganized Debtors. Any claim based on the Debtors' obligations herein shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code. After the Effective Date, none of the Reorganized Debtors shall terminate or otherwise reduce the coverage under any directors' and officers' insurance policies (including any "tail policy") in effect as of the Commencement Date, and all directors and officers of the Debtors who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such directors and/or officers remain in such positions after the Effective Date.

39. Survival of Other Employment Arrangements. Except and to the extent previously assumed or rejected by an order of the Bankruptcy Court entered on or before the Effective Date, all employee compensation and benefit plans entered into before or after the Commencement Date and not since terminated shall be deemed to be, and shall be treated as if they were, executory contracts to be assumed pursuant to the Plan. The Debtors' obligations under such plans and programs shall survive confirmation of the Plan, and entry of this

Confirmation Order, except for (a) executory contracts or employee benefit plans specifically rejected pursuant to the Plan (to the extent such rejection does not violate sections 1114 and 1129(a)(13) of the Bankruptcy Code) and (b) such executory contracts or employee benefit plans as have previously been rejected, are the subject of a motion to reject as of the Effective Date, or have been specifically waived by the beneficiaries of any employee benefit plan or contract. Notwithstanding anything in the Plan to the contrary, any equity incentive plans of any of the Debtors, and any stock option, restricted stock or other equity agreements and any stock appreciation rights or similar equity incentives or equity based incentives or other obligations or liabilities the value of which depend on the price of, or distributions paid with respect to, equity securities, shall be cancelled as of the Effective Date and the Debtors shall have no liability or responsibility in respect of such equity interests.

40. Insurance Policies. All insurance policies pursuant to which the Debtors have any obligations in effect as of the date of this Confirmation Order shall be deemed and treated as executory contracts pursuant to the Plan and, on the Effective Date, shall be assumed by the respective Debtors and Reorganized Debtors and shall continue in full force and effect. All other insurance policies shall revest in the Reorganized Debtors.

41. Workers' Compensation Programs. Except as otherwise expressly provided in the Plan, as of the Effective Date, the Debtors and the Reorganized Debtors shall continue to honor their obligations under (i) all applicable workers' compensation laws in states in which the Reorganized Debtors operate and (ii) the Debtors' written contracts, agreements, agreements of indemnity, self-insurer workers' compensation bonds and any other policies, programs and plans regarding or relating to workers' compensation and workers' compensation insurance. All such contracts and agreements are treated as executory contracts under the Plan

and on the Effective Date will be assumed pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, with a cure amount of zero ($0).

42. Assumption of Investment Agreement. As of the Effective Date, each Debtor party thereto shall hereby assume the Investment Agreement, annexed as Exhibit B to the Plan, pursuant to the provisions of section 365 of the Bankruptcy Code.

43. Payment of Statutory Fees. All fees payable pursuant to section 1930 of title 28 of the United States Code, shall be paid as and when due or otherwise pursuant to an agreement between the Reorganized Debtors and the United States Department of Justice, Office of the United States Trustee, until such time as a chapter 11 case for a Debtor shall be closed.

44. Intercompany Claims. Notwithstanding anything to the contrary herein (except for Prepetition Lender Claims held by any Debtor or affiliate of a Debtor which shall be waived and disallowed), on or after the Effective Date, any debts held by a Debtor or an affiliate of a Debtor against another Debtor, other than the Intercompany Claims, will be adjusted (including by contribution, distribution in exchange for new debt or equity, or otherwise) paid, continued, or discharged to the extent reasonably determined by the Debtors, taking into account the economic condition of the applicable Reorganized Debtor.

45. Compliance with Tax Requirements. In connection with the Plan and all instruments issued in connection therewith and distributed thereunder, any party issuing any instruments or making any distribution under the Plan, including any party described in Sections 5.3, 5.5, 5.6, 6.3 and 6.6 thereof, shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any withholding or reporting requirements. Notwithstanding the above, each holder of an Allowed Claim that is to receive a distribution

under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instruments or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such holder has made arrangements satisfactory to such issuing or distributing party for payment of any such tax obligations.

46. Exemption from Transfer Taxes. Pursuant to section 1146(a) of the Bankruptcy Code, (a) any issuance, transfer or exchange of notes or equity securities under the Plan, (b) the creation of any mortgage, deed of trust or other security interest (including relating to the Exit Term Loan and Exit Revolver), or (c) the making or assignment of any lease or sublease, or the making or delivery of any instrument of transfer from a Debtor to a Reorganized Debtor or any other Person pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment. Pursuant to this Confirmation Order, the appropriate state or local governmental officials or agents shall (a) forego the collection of any such tax or governmental assessment and (b) accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. Without limiting the foregoing, any issuance, transfer or exchange of a security or any making or delivery of an instrument of transfer pursuant to the Plan shall be exempt from the imposition and payment of any and all transfer taxes (including, without limitation, any and all stamp taxes or similar taxes and any interest, penalties and addition to the tax that may be required to be paid in connection with the consummation of the Plan) pursuant to sections 1146(a), 505(a), 106 and 1141 of the Bankruptcy Code.

47. Documents, Mortgages, and Instruments. Each federal, state, commonwealth, local, foreign, or other governmental agency is hereby authorized to accept any and all documents, mortgages, and instruments necessary or appropriate to effectuate, implement or consummate the transactions contemplated by the Plan and this Confirmation Order.

48. Reversal/Stay/Modification/Vacatur of Confirmation Order. Except as otherwise provided in this Confirmation Order, if any or all of the provisions of this Confirmation Order are hereafter reversed, modified, vacated, or stayed by subsequent order of this Bankruptcy Court, or any other court, such reversal, stay, modification or vacatur shall not affect the validity or enforceability of any act, obligation, indebtedness, liability, priority, or lien incurred or undertaken by the Debtors or the Reorganized Debtors, as applicable, prior to the effective date of such reversal, stay, modification, or vacatur. Notwithstanding any such reversal, stay, modification, or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, or in reliance on, this Confirmation Order prior to the effective date of such reversal, stay, modification, or vacatur shall be governed in all respects by the provisions of this Confirmation Order and the Plan or any amendments or modifications thereto.

49. Retention of Jurisdiction. Notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, pursuant to sections 105 and 1142 of the Bankruptcy Code, this Bankruptcy Court, except as otherwise provided in the Plan or herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases to the fullest extent as is legally permissible, including, but not limited to, jurisdiction over the matters set forth in Section 11 of the Plan.

50. Modifications and Amendments. Subject to section 1127 of the Bankruptcy Code and, to the extent applicable, sections 1122, 1123 and 1125 of the Bankruptcy Code, alterations, amendments or modifications of the Plan may be proposed in writing by the Debtors (with the prior written consent of Purchaser Representative, which consent shall be subject to being withheld on the basis set forth in the Investment Agreement, and the Requisite Consenting Lenders, which consent shall be subject to being withheld on the basis set forth in the Plan Support and Lock-Up Agreement) at any time prior to the Effective Date. Furthermore, without need for further order or authorization of the Court, the Debtors or the Reorganized Debtors, with the prior written consent of Purchaser Representative, which consent shall be subject to being withheld on the basis set forth in the Investment Agreement, and the Requisite Consenting Lenders, which consent shall be subject to being withheld on the basis set forth in the Plan Support and Lock-Up Agreement, are authorized and empowered to make any and all modifications to any and all documents included as part of the Plan Supplement, and any other document that is necessary to effectuate the Plan that do not materially modify the terms of such documents and are consistent with the Plan.

51. Provisions of Plan and Confirmation Order Nonseverable and Mutually Dependent. The provisions of the Plan and this Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

52. Governing Law. Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an Exhibit to the Plan, the Plan Supplement, or the Exit Financing documents provides otherwise (in which case the governing law specified therein shall be applicable to such document), the rights, duties and obligations arising under the Plan shall be

governed by, and construed and enforced in accordance with, the laws of the State of New York without giving effect to the principles of conflict of laws.

53. Applicable Non-bankruptcy Law. Pursuant to section 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of this Confirmation Order, the Plan and related documents or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

54. Waiver of Filings. Any requirement under section 521 of the Bankruptcy Code or Bankruptcy Rule 1007 obligating the Debtors to file any list, schedule, or statement with the Bankruptcy Court or the Office of the U.S. Trustee (except for monthly operating reports or any other post-confirmation reporting obligation to the U.S. Trustee), is hereby waived as to any such list, schedule, or statement not filed as of the Confirmation Date.

55. Governmental Approvals Not Required. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state or other governmental authority with respect to the implementation or consummation of the Plan and Disclosure Statement, any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in, or contemplated by, the Plan and the Disclosure Statement.

56. Notice of Confirmation Order. In accordance with Bankruptcy Rules 2002 and 3020(c), as soon as reasonably practicable after the Effective Date, the Debtors shall serve notice of the entry of this Confirmation Order, substantially in the form annexed hereto as Exhibit B, to all parties who hold a Claim or Interest in these cases, all parties to executory contracts and unexpired leases with the Debtors, and all other Interested Parties, including the U.S. Trustee, [and shall publish such notice in [ ]]. Such notice is

hereby approved in all respects and shall be deemed good and sufficient notice of entry of this Confirmation Order.

57. Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

58. Closing Report. The Reorganized Debtors shall file a closing report in accordance with Local Rule 3022-1.

59. Periodic Status Reports. The Reorganized Debtors shall file, within 45 days after the date of this Confirmation Order, a status report detailing the actions taken and the progress made toward the consummation of the Plan. Reports shall be filed thereafter every January 15th, April 15th, July 15th, and October 15th until a final decree has been entered.

60. Case Closing. The Reorganized Debtors shall file an application for a final decree (the "Final Decree") closing these Chapter 11 Cases not later than six calendar months from the date of this Confirmation Order. Nothing shall prejudice the Reorganized Debtors from seeking an extension of this deadline for cause. If the Reorganized Debtors fail to seek a Final Decree within six calendar months from the date of this Confirmation Order and it has not obtained an extension by Order of the Bankruptcy Court, the Clerk shall so advise the Judge and an order to show cause may be issued.

61. Operating Reports. The Reorganized Debtors shall file post-confirmation operating reports in compliance with the United States Trustee's Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees until the entry of (i) a Final Decree closing these Chapter 11 Cases or (ii) an order dismissing or converting the cases to cases under chapter 7 of the Bankruptcy Code.

62. Waiver of Stay. The stay of this Confirmation Order provided by any Bankruptcy Rule (including Bankruptcy Rule 3020(e)), whether for fourteen (14) days or otherwise, is hereby waived, and this Confirmation Order shall be effective and enforceable immediately upon its entry by the Bankruptcy Court.

63. Final Order. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

64. Inconsistency. To the extent of any inconsistency between this Confirmation Order and the Plan, this Confirmation Order shall govern. To the extent of any inconsistency between the Investment Agreement and the Plan, prior to the Effective Date, the Investment Agreement shall govern.

65. No Waiver. The failure to specifically include any particular provision of the Plan in this Confirmation Order will not diminish the effectiveness of such provision nor constitute a waiver thereof, it being the intent of this Bankruptcy Court that the Plan is confirmed in its entirety and incorporated herein by this reference.

Dated: _____, 2013
New York, New York

_____
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

The Plan

Exhibit B

Notice of Entry of the Confirmation Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
LodgeNet Interactive Corporation, *et al.*, [1]	:	**Case No. 13 – _____ ( )**
Debtors.	:	**(Jointly Administered)**

NOTICE OF (I) ENTRY OF ORDER (A) APPROVING THE DEBTORS' (i) DISCLOSURE STATEMENT PURSUANT TO SECTIONS 1125 AND 1126(b) OF THE BANKRUPTCY CODE, (ii) SOLICITATION OF VOTES AND VOTING PROCEDURES, AND (iii) FORM OF BALLOTS, AND (B) CONFIRMING THE PLAN OF REORGANIZATION OF LODGENET INTERACTIVE CORPORATION, *ET AL.* UNDER CHAPTER 11 OF THE BANKRUPTCY CODE AND (II) OCCURRENCE OF EFFECTIVE DATE

TO CREDITORS, EQUITY INTEREST HOLDERS, AND OTHER PARTIES IN INTEREST:

PLEASE TAKE NOTICE that an order (the "Confirmation Order") of the Honorable [ ], United States Bankruptcy Judge, approving the disclosure statement, solicitation of votes and voting procedures, and form of ballot, and confirming the Plan of Reorganization of LodgeNet Interactive Corporation., *et al.* Under Chapter 11 of the Bankruptcy Code, dated [ ], 2012 (as amended and supplemented, the "Plan"), of LodgeNet Interactive Corporation ("LodgeNet Interactive") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "Debtors"), was entered by the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on [ ], 2013. Unless otherwise defined in this notice, capitalized terms used herein shall have the meanings ascribed to them in the Plan and the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that the Confirmation Order is available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court. The Confirmation Order is also available on the internet site of the Debtors' noticing agent, Kurtzman Carson Consultants LLC, at www.kccllc.net/[ ] or by accessing the Bankruptcy Court's website http://nysb.uscourts.gov. Please note that a PACER password and login are required to access documents on the Bankruptcy Court's website.

[1] The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: LodgeNet Interactive Corporation (1161), LodgeNet StayOnline, Inc. (3232), On Command Corporation (5194), The Hotel Networks, Inc. (4919), On Command Video Corporation (8458), Puerto Rico Video Entertainment Corporation (6786), Virgin Islands Video Entertainment Corporation (6611), Spectradyne International, Inc. (9353), LodgeNet Healthcare Inc. (0337), Hotel Digital Network, Inc. (7245), and LodgeNet International Inc. (2811).

PLEASE TAKE FURTHER NOTICE that the Effective Date of the Plan occurred on [ ], 2013.

PLEASE TAKE FURTHER NOTICE that the Plan and its provisions are binding on the Debtors, the Reorganized Debtors, any holder of a Claim against, or Interest in, the Debtors and such holder's respective successors and assigns, whether or not the Claim or Interest of such holder is impaired under the Plan and whether or not such holder or entity voted to accept the Plan.

Dated: New York, New York
[ ], 2013

_____

Gary T. Holtzer
Sylvia Mayer
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Proposed Attorneys for the Debtors and
Debtors in Possession

EXHIBIT C

FORM OF DIP TERM SHEET

Intentionally Omitted.

EXHIBIT D

FORM OF JOINDER AGREEMENT

(see attached)

JOINDER AGREEMENT
TO
INVESTMENT AGREEMENT

This JOINDER AGREEMENT TO INVESTMENT AGREEMENT (this "Agreement") is entered into as of [_____], by and among the undersigned (the "Purchaser Designee"), LodgeNet Interactive Corporation (the "Company") and Colony-L Acquisition, LLC ("Purchaser Representative"). The parties hereto hereby agree as follows:

1.1 General.

(a) The Purchaser Designee hereby acknowledges that it has received a copy of that certain Investment Agreement (the "Investment Agreement"), dated as of December 30, 2012, by and among the Company, Col-L Acquisitions, LLC, PAR Investment Partners, L.P., each of the other Purchasers party thereto and Colony Capital, LLC (solely for purposes of Sections 6.2 and 8.9 of the Investment Agreement) ("CCL"), and has reviewed the terms thereof. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Investment Agreement.

(b) The Purchaser Designee hereby acknowledges and confirms that by executing and delivering this Joinder Agreement, the Purchaser Designee hereby becomes a party to the Investment Agreement as a "Purchaser Designee" thereunder, with the same force and effect as if originally named therein as a Purchaser Designee and hereby agrees to comply with, and be bound by, terms and other provisions thereof.

1.2 Deposit of Purchase Price; Purchase and Sale of Shares. No later than one (1) Business Day prior to Closing, the Purchaser Designee hereby covenants and agrees in favor of the Purchaser Representative (for the benefit of the Purchasers) that it shall deposit into an escrow account, governed by the escrow agreement to be entered into by and among Purchasers, the Purchaser Designees and the escrow agent, an amount in cash equal to the Purchaser Designee's respective portion of the Purchase Price, as set forth on the signature page to this Agreement (the "Designee Purchase Price Amount"). At the Closing, subject to satisfaction of the conditions set forth in ARTICLE X of the Investment Agreement, the Designee Purchase Price Amount shall be paid to the Company in accordance with Section 3.3 of the Investment Agreement and upon such payment, the Purchaser Designee shall be entitled to receive the number of shares of Common Stock corresponding to such Designee Purchase Price Amount (as determined based upon the Price Per Share), as set forth on the signature page to this Agreement, in each case, subject to and in accordance with the terms and conditions of the Investment Agreement.

1.3 Representations and Warranties of Purchaser Designee. The Purchaser Designee hereby represents and warrants to Purchasers and the Company as follows, as of the date hereof:

(a) Organization and Good Standing. The Purchaser Designee is a [_____] duly organized, validly existing and in good standing under the Laws of its state of

formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted.

(b) Authorization of Agreement. The Purchaser Designee has all requisite power, authority and legal capacity to execute and deliver this Agreement and each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by the Purchaser Designee in connection with the consummation of the Transactions (the "Purchaser Documents"), to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Purchaser Designee of this Agreement and the Purchaser Documents and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on behalf of the Purchaser Designee. This Agreement has been, and each Purchaser Document will be at or prior to the Closing, duly executed and delivered by the Purchaser Designee to the extent they are a party thereto and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser Document when so executed and delivered will constitute, legal, valid and binding obligations of the Purchaser Designee, enforceable against the Purchaser Designee to the extent they are a party thereto in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at Law or in equity).

(c) Conflicts; Consents of Third parties.

(i) None of the execution and delivery by the Purchaser Designee of this Agreement or the Purchaser Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by the Purchaser Documents with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the organizational documents of the Purchaser Designee, or (ii) any Order of any Governmental Body applicable to the Purchaser Designee or any of its properties or assets or any applicable Law, in any case, other than, such conflicts, violations, defaults, terminations or cancellations that would not reasonably be expected to have a material adverse effect on the ability of the Purchaser Designee to perform its obligations under this Agreement or to consummate the Transactions.

(ii) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of the Purchaser Designee in connection with the execution and delivery of this Agreement or the Purchaser Documents, the compliance by the Purchaser Designee with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by the Purchaser Designee of any other action contemplated hereby or thereby, except for compliance with the Confirmation Order and such other consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications, the failure of which to obtain or

make would not be reasonably be expected to have a material adverse effect on the ability of the Purchaser Designee to perform its obligations under this Agreement or to consummate the Transactions.

(d) Litigation. There are no Legal Proceedings pending or, to the knowledge of the Purchaser Designee, threatened against the Purchaser Designee, or to the Purchaser Designee is otherwise a party before any Governmental Body, which, if adversely determined, would reasonably be expected to have a material adverse effect on the ability of the Purchaser Designee to perform its obligations under this Agreement or to consummate the Transactions. The Purchaser Designee is not subject to any Order of any Governmental Body except to the extent the same would not reasonably be expected to have a material adverse effect on the ability of the Purchaser Designee to perform its obligations under this Agreement or to consummate the Transactions.

(e) Financial Advisors. Except for [_____], no Person has acted, directly or indirectly, as a broker, finder or financial advisor for the Purchaser Designee in connection with the Transactions and no Person is entitled to any fee or commission or like payment in respect thereof.

(f) Investment Intention. The Purchaser Designee(s) is acquiring the shares of Common Stock for its respective own account, for investment purposes only and not with a view to the distribution (as such term is used in Section 2(11) of the Securities Act of 1933, as amended (the "Securities Act") thereof.

1.4 Miscellaneous.

(a) Certain Expenses. The Purchaser Designee shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement, the Investment Agreement and the consummation of the transactions contemplated hereby and thereby.

(b) Governing Law. To the extent not governed by the Bankruptcy Code, this Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to contracts made and performed in such State, without regard to any conflict of laws principles thereof.

(c) WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY HERETO WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING BASED UPON, ARISING OUT OF, OR RELATED TO THIS AGREEMENT, ANY PROVISION HEREOF OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

1.5 Entire Agreement; Amendments and Waivers. This Agreement, the Investment Agreement (including the Schedules and Exhibits) and the Confidentiality Agreement represent the entire understanding and agreement among the parties with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or

waiver is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

1.6 Assignment. This Agreement and the rights and obligations hereunder will not be assignable or transferable by Purchaser Designee without the prior written consent of the Purchaser Representative and the Company. Subject to the preceding sentences, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

1.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have hereby executed this Joinder Agreement as of the day set forth above and in the acceptance set forth below.

PURCHASER DESIGNEE:

_____
Designee Purchase Price Amount

_____
Shares of Common Stock

_____
Name of Purchaser Designee (Print or Type)

By: _____
Signature

Its: _____
Title

_____
Principal Place of Business of Purchaser Designee

_____
(City and State) (Zip Code)

_____
Telephone Number

_____
Tax Identification Number of Purchaser Designee

ACCEPTANCE

The foregoing is hereby accepted, subject to the terms and conditions hereof and of the Investment Agreement, as of _____, 201__.

PURCHASER REPRESENTATIVE:

Colony-L Acquisition, LLC

By: _____
Name:
Title:

_____
Designee Purchase Price Amount

_____
Shares of Common Stock

ACCEPTANCE

The foregoing is hereby accepted, subject to the terms and conditions hereof and of the Investment Agreement, as of _____, 201__.

THE COMPANY:

LodgeNet Interactive Corporation

By:_____
Name:
Title:

EXHIBIT B

PREPETITION LENDERS' PLAN SUPPORT AND LOCK-UP AGREEMENT

EXECUTION VERSION

December 30, 2012

This Plan Support and Lockup Agreement (this "**Agreement**"), by and among each of the Consenting Lenders (as defined below) and the LodgeNet Parties (as defined below) sets forth certain terms and conditions pursuant to which (i) LodgeNet Interactive Corporation ("**LodgeNet Interactive**") and (ii) LodgeNet StayOnline, Inc., LodgeNet International, Inc., LodgeNet Healthcare, Inc., On Command Corporation, On Command Video Corporation, Puerto Rico Video Entertainment Corporation, Virgin Island Video Entertainment Corporation, Spectradyne International, Inc., The Hotel Networks, Inc. and Hotel Digital Network, Inc., each in its capacity as a guarantor under the Prepetition Credit Agreement (as defined below) (collectively with LodgeNet Interactive, the "**LodgeNet Parties**") will propose a restructuring (the "**Restructuring**") of the LodgeNet Parties' outstanding obligations under the Prepetition Credit Agreement, to be effectuated pursuant to a joint chapter 11 plan of reorganization (a "**Plan**"), with the support of the undersigned creditors signatory hereto (collectively, the "**Consenting Lenders**" and each lender under the Prepetition Credit Agreement generally referred to as a "**Prepetition Lender**") who are party to and/or a holder of indebtedness under that certain Credit Agreement dated as of April 4, 2007, by and among LodgeNet Interactive, the Prepetition Lenders and Gleacher Products Corp., as administrative agent (in such capacity the "**Prepetition Agent**") (as amended, restated, supplemented or otherwise modified from time to time, the "**Prepetition Credit Agreement**"). The implementation of the Plan shall involve the investment by Col-L Acquisition, LLC, Par Investment Partners, L.P., Nala Investments LLC, MAR Capital Fund I, L.P., MAR Capital Fund II, L.P. and MAR Capital Fund III, L.P. (collectively, the "**Purchasers**"), in LodgeNet Interactive as contemplated in (x) the Investment Agreement (the "**Investment Agreement**"), among Purchasers, LodgeNet Interactive, Colony Capital, LLC, a Delaware limited liability company ("**Colony**"), for the limited purposes set forth therein, and the other parties thereto, and (y) the Plan.

Each LodgeNet Party and each Consenting Lender and each person that becomes a party hereto in accordance with the terms hereof are collectively referred to as the "**Parties**" and individually as a "**Party**." Claims of the Prepetition Lenders under the Prepetition Credit Agreement are the "**Lender Claims**".

For purposes of this Agreement, the term "**Requisite Consenting Lenders**" means Consenting Lenders holding more than 50% of all Lender Claims held by all Consenting Lenders at any relevant moment in time; provided, however, that only the holdings of those Consenting Lenders who elect to participate in the deliberations with respect to the issue for which consent of the Requisite Consenting Lenders is sought shall be counted for purposes of calculating Requisite Consenting Lenders.

In consideration of the execution and delivery of the other agreements contemplated hereby, and for other good and valuable consideration, the Parties hereby agree as follows:

1. Bankruptcy Process.

(a) On the date the LodgeNet Parties commence the Restructuring (the "**Petition Date**") by commencing, in accordance with the terms of this Agreement, a

voluntary case (the "**Chapter 11 Cases**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), the LodgeNet Parties shall file with the Bankruptcy Court (i) the Plan in the form attached hereto as Exhibit A (the "**Approved Plan**"), as may be amended, modified or supplemented only in accordance with Section 9 hereunder and (ii) the related disclosure statement (the "**Disclosure Statement**").

(b) Each of the following shall be consistent in all respects with this Agreement and the Approved Plan, and (x) as to the documents in clauses (i) through (iv) shall be in form and substance reasonably acceptable to the Requisite Consenting Lenders, provided that such documents shall be in form and substance acceptable to the Requisite Consenting Lenders, without regard to reasonableness, with respect to any terms that have an effect on the Consenting Lenders and (y) as to the documents in clauses (v) through (x) shall be in all respects in form and substance acceptable to the Requisite Consenting Lenders: (i) the Disclosure Statement, (ii) the materials relating to the Solicitation (as defined below), (iii) any proposed order approving the Disclosure Statement (the "**Disclosure Statement Order**"), (iv) any proposed confirmation order confirming the Approved Plan (the "**Confirmation Order**"), it being acknowledged that the form of Confirmation Order attached to the Investment Agreement is in form and substance acceptable to the Requisite Consenting Lenders, (v) any order approving on an interim basis the DIP/Cash Collateral Motion (defined below) (the "**Interim DIP Order**"); (vi) any order approving on a final basis the DIP/Cash Collateral Motion on terms substantially similar to the Interim DIP Order (the "**Final DIP Order**" and collectively with the Interim DIP Order the "**DIP Orders**"), (vii) any orders approving on an interim or final basis the use of "cash collateral" (as defined in section 363(a) of the Bankruptcy Code), in which the Prepetition Agent and Prepetition Lenders have a lien, security interest or other interest (the "**Interim Cash Collateral Order**" and the "**Final Cash Collateral Order**", respectively, and collectively the "**Cash Collateral Orders**") and (viii) the Exit Loan Agreement (as defined in the Approved Plan), consistent with the Exit Term Loan Term Sheet (as defined in the Approved Plan) (ix) the Intercreditor Agreements (as defined in the Approved Plan), consistent with the Exit Term Loan Term Sheet; and (x) the Amended and Restated Guarantee and Collateral Agreement (as defined in the Approved Plan), consistent with the Exit Term Loan Term Sheet (documents in (viii) through (x), along with any other related or similar documents, collectively, the "**New Term Loan Documents**").

(c) The Exit Revolver Agreement (as defined in the Approved Plan) shall be in form and substance reasonably acceptable to the Requisite Consenting Lenders

2. Representation of the Parties. Each Party hereby represents and warrants to the other Parties that the following statements are true, correct and complete as of the date hereof:

(a) It has all requisite corporate, partnership, limited liability company or similar authority to execute this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder, and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder

have been duly authorized by all necessary corporate, partnership, limited liability company or other similar action on its part.

(b) The execution, delivery and performance by such Party of this Agreement and the transactions contemplated hereby (the "**Transactions**") does not and shall not (i) violate (A) any provision of law, rule or regulation applicable to it or (B) its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries or (ii) with respect to the LodgeNet Parties only, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contractual obligation to which it or any of its subsidiaries is a party (except as a direct result of the filing of the Chapter 11 Cases).

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

(d) If such Party is a LodgeNet Party, such LodgeNet Party represents that the execution, delivery and performance by it of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or governmental authority or regulatory body, except as may be necessary or required for approval by the Bankruptcy Court of such LodgeNet Party's authority to implement this Agreement and the Transactions or for filings pursuant to the Securities Exchange Act of 1934, as amended.

(e) If such Party is a Consenting Lender, such Consenting Lender (i) either (A) is the sole legal and beneficial owner of the Lender Claims set forth below its name on the signature page hereof (or the Joinder (as defined below)), free and clear of all claims, liens and encumbrances, or (B) has sole investment and voting discretion with respect to such Lender Claims in respect to matters relating to the Restructuring contemplated by this Agreement and has the power and authority to bind the beneficial owner(s) of such Lender Claims to the terms of this Agreement and (ii) has full power and authority to act on behalf of, vote and consent to matters concerning such Lender Claims in respect to matters relating to the Restructuring contemplated by this Agreement and dispose of, exchange, assign and transfer such Lender Claims (with respect to a Consenting Lender, all Lender Claims under clauses (A) and (B) and any additional Lender Claims it owns or has such control over from time to time or acquires after the Execution Date (as defined in Section 13 hereunder), collectively, its "**Consenting Lender Claims**"). Further, such Consenting Lender has made no prior assignment, sale, participation, grant, conveyance, or other transfer of, and has not entered into any other agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interests in such Lender Claims that are subject to this Agreement, the terms of which agreement are, as of the date hereof, inconsistent with the representations and warranties of such Prepetition Lender Party herein or would

render such Prepetition Lender Party otherwise unable to comply with this Agreement and perform its obligations hereunder.

(f) If such party is a Consenting Lender, such Consenting Lender (i) is an "accredited investor" (as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended), (ii) has such knowledge and experience in financial and business matters of this type that it is capable of evaluating the merits and risks of entering into this Agreement and of making an informed investment decision, and (iii) has conducted an independent review and analysis of the business and affairs of LodgeNet Interactive that it considers sufficient and reasonable for purposes of entering into this Agreement.

3. Agreements of the Consenting Lenders.

(a) Subject to the terms and conditions hereof and for so long as this Agreement has not been terminated and except as the LodgeNet Parties may expressly release the Consenting Lenders in writing from any of the following obligations, each Consenting Lender shall:

(i) (A) agree to vote its Lender Claims in favor of the Approved Plan (when solicited to do so and no later than ten (10) days after the commencement of the Solicitation), (B) deliver its duly executed and completed ballot(s) voting in favor of such Approved Plan on a timely basis following commencement of the Solicitation for such Approved Plan, and (C) not change or withdraw such agreement or vote (or cause or direct such agreement or vote to be changed or withdrawn);

(ii) support the Approved Plan, not object to, or vote any of its Lender Claims to reject or impede, the Approved Plan, support directly or indirectly any such objection or impediment or otherwise take any action or commence any proceeding to oppose or to seek any modification of the Approved Plan filed by any of the LodgeNet Parties in connection with the Chapter 11 Cases and confirmation of the Approved Plan;

(iii) not directly or indirectly seek, solicit, support, encourage, vote its Lender Claims for, or consent to (A) any plan of reorganization, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of assets or restructuring for any of the LodgeNet Parties (each, an "**Alternative Proposal**") other than the Approved Plan or (B) any other action that is materially inconsistent with, or that would materially delay or materially obstruct the Approved Plan; provided, however, nothing in this Agreement shall be read to restrict any Consenting Lender's right to object to, or otherwise oppose, any motion seeking approval of (x) any key employee incentive plan, (y) any severance-related plan to the extent it relates to the participants in any key employee incentive plan, or severance payments to any participants in any key employee incentive plan or (z) any similar motions related thereto, all of which rights are expressly preserved;

provided, however, the Consenting Lenders shall not object to approval of a key employee retention plan for the "rank and file" on the terms as disclosed in the Form 8-K filed by LodgeNet Interactive on November 28, 2012; and

(iv) enter into the New Term Loan Documents on the terms set forth in the Exit Term Loan Term Sheet, with such changes as the Requisite Consenting Lenders, the LodgeNet Parties and Purchasers mutually agree.

(b) Each Consenting Lender agrees that, as long as this Agreement has not terminated in accordance with its terms, it shall not sell, transfer, assign or otherwise dispose of any Lender Claims, or any option thereon or any right or interest (voting or otherwise) in any or all of its Lender Claims (including, without limitation, any participation therein) unless (i) the transferee, participant or other party (A) is a Consenting Lender or (B) satisfies the representations hereunder with respect to the transferring Consenting Lender, and agrees in writing to assume and be bound by all of the terms of this Agreement with respect to all Lender Claims such transferee, participant or other party currently holds or shall acquire in the future by executing the joinder attached hereto as Exhibit B (the "**Joinder**") (such transferee, participant or other party, if any, to also be a "Consenting Lender" hereunder from and after such transfer). If a transferee of any of the Lender Claims is not a Consenting Lender or does not execute a Joinder in substantially the form attached hereto as Exhibit B within three (3) business days of the completion of such transfer, participation or other grant or otherwise agree to be bound by all of the terms of this Agreement, then such sale, transfer, assignment or other disposition of the Lender Claims or related option, right or interest shall be deemed void *ab initio*. This Agreement shall in no way be construed to preclude any Consenting Lender from acquiring additional Lender Claims; provided, however, that any such additional Lender Claims shall automatically be deemed to be subject to all of the terms of this Agreement and each such Consenting Lender agrees that such additional Lender Claims shall be subject to this Agreement and that it shall vote (or cause to be voted) any such additional Lender Claims entitled to vote on the Approved Plan (in each case, to the extent still held by it or on its behalf at the time of such vote) in a manner consistent with this Section 3. Subject to the terms and conditions of any order of the Bankruptcy Court, each Consenting Lender agrees to provide to the Prepetition Agent, counsel to the Prepetition Agent and to counsel for the LodgeNet Parties (i) a copy of any Joinder and (ii) a notice of the acquisition of any additional Lender Claims, in each case within three (3) business days of the consummation of the transaction disposing of, or acquiring, Lender Claims. Notwithstanding the foregoing, this Section 3(b) shall not apply to any transferee that specifies in the documentation executed in connection with the transfer of Lender Claims that it is acting as a "Riskless Principal," as such term is defined by the Loan Syndications and Trading Association in its Standard Terms and Conditions for Distressed Trade Confirmations; provided, however, that (i) such Riskless Principal shall be obligated to transfer such Lender Claims within one (1) business day of its receipt thereof (or otherwise to execute the Joinder in substantially the form attached hereto as Exhibit B) and (ii) any subsequent transferee of such Riskless Principal shall be required to make the representations of the transferring Consenting Lender and execute the Joinder in substantially the form attached hereto as Exhibit B. For the avoidance of doubt, GSS

Master SPC – Hayman Segregated Portfolio is not a Party to this Agreement and nothing herein shall be read to bind GSS Master SPC – Hayman Segregated Portfolio to this Section 3(b) or any other provision of this Agreement.

(c) Each of the Consenting Lenders consents to the (a) LodgeNet Parties' use of the "cash collateral" (as defined in section 363(a) of the Bankruptcy Code), in which the Prepetition Agent and Prepetition Lenders have a lien, security interest or other interest, and (b) the LodgeNet Parties obtaining debtor in possession financing and granting first-priority priming, valid, perfected, and enforceable liens, on substantially all of the LodgeNet Parties' assets and superpriority administrative expense claim status in respect of all obligations under the debtor in possession financing loan, in each case consistent in all respects with the DIP Term Sheet attached hereto as Exhibit C and pursuant to an Interim DIP Order and Final DIP Order.

4. Agreements, Representations and Warranties of the LodgeNet Parties

(a) Subject to the terms and conditions hereof, so long this Agreement has not been terminated, and except as the Requisite Consenting Lenders may expressly release the LodgeNet Parties, as applicable, in writing from any of the following obligations,

(i) Without limiting the obligations of Section 1(b), the LodgeNet Parties hereby agree that they shall provide draft copies of all motions, including (A) a motion seeking approval of the Disclosure Statement and the materials related to the solicitation of votes for the Restructuring pursuant to the Bankruptcy Code (the "**Solicitation**") and (B) all "first day" motions (including proposed forms of orders), including but not limited to any motion seeking approval of debtor in possession financing and use of cash collateral (the "**DIP/Cash Collateral Motion**"), consistent in all respects with the DIP Term Sheet attached hereto as Exhibit C, and applications and other documents the LodgeNet Parties intend to file with the Bankruptcy Court to Akin Gump Strauss Hauer and Feld LLP, counsel to the Prepetition Agent ("**Akin Gump**") as soon as reasonably practicable, but in no event less than three (3) calendar days before such documents are filed with the Bankruptcy Court, and shall consult in good faith with Akin Gump regarding the form and substance of any such proposed filing.

(ii) The LodgeNet Parties agree to use commercially reasonable efforts to (A) support and complete the Restructuring and all other actions contemplated in connection therewith and under the Approved Plan, the New Term Loan Documents and the Exit Revolver Agreement, as applicable, (B) take any and all necessary and appropriate actions in furtherance of the Restructuring and the other actions contemplated under the Approved Plan, the New Term Loan Documents and the Exit Revolver Agreement, (C) take necessary and appropriate steps to seek approval of the DIP/Cash Collateral Motion and entry of the DIP Orders and/or the Cash Collateral Orders, (D) obtain any and all required regulatory approvals and third-party approvals for the Restructuring, and (E) not take any actions inconsistent with this Agreement, the Approved Plan, the

confirmation and consummation of the Approved Plan, the New Term Loan Documents and the Exit Revolver Agreement.

(iii) The LodgeNet Parties shall cause each of their subsidiaries to use their commercially reasonable efforts to (A) support and complete the Restructuring and all other actions contemplated in connection therewith and under the Approved Plan, the New Term Loan Documents and the Exit Revolver Agreement, (B) take any and all necessary and appropriate actions in furtherance of the Restructuring and the other actions contemplated under the Approved Plan, the New Term Loan Documents and the Exit Revolver Agreement, as applicable, and (C) not take any actions inconsistent with this Agreement, the Approved Plan, the confirmation and consummation of the Approved Plan, the New Term Loan Documents and the Exit Revolver Agreement.

(iv) Except as required by the fiduciary duties of their respective boards of directors, the LodgeNet Parties shall not, directly or indirectly, seek, solicit, negotiate, support or engage in any discussions relating to, or enter into any agreements relating to, any Alternative Proposal other than the Approved Plan (as it may be amended, supplemented or otherwise modified as provided herein), nor shall the LodgeNet Parties solicit or direct any person or entity, including, without limitation, any member of the LodgeNet Parties' boards of directors or any holder of equity in the LodgeNet Parties, to undertake any of the foregoing; provided, however, that the LodgeNet Parties may agree to modifications to the Approved Plan and the Disclosure Statement, as provided herein.

(v) The LodgeNet Parties will not amend or waive any terms of the Investment Agreement if such amendment or waiver would have an adverse effect on any Consenting Lender, without the consent of the Requisite Consenting Lenders.

(vi) The LodgeNet Parties shall use their commercially reasonable efforts to consummate the transactions contemplated by the Investment Agreement as promptly as practicable.

(vii) The LodgeNet Parties and each of their subsidiaries shall waive, and shall receive no distribution under the Approved Plan on account of, any Lender Claims that may be held by the LodgeNet Parties or any of their subsidiaries or affiliates.

(b) Substantially simultaneously with the execution of this Agreement, the LodgeNet Parties shall pay all reasonable documented fees and expenses of (i) Akin Gump in accordance with the terms of the existing engagement letter between Akin Gump and LodgeNet Interactive and (ii) CDG Group, Inc., financial advisor to the Prepetition Agent, in accordance with the terms of its existing engagement letter, that are due and owing as of the Execution Date.

5. Termination of Obligations. This Agreement may be terminated as follows:

(a) by the mutual written consent of the LodgeNet Parties and the Requisite Consenting Lenders, provided that notice of such termination is provided within one (1) business day to the persons and entities listed on Schedule 1 annexed hereto, in accordance with Section 14 hereof; it being understood that any termination hereof by the LodgeNet Parties would be a breach of the Investment Agreement, unless such termination occurs in accordance with the LodgeNet Parties' fiduciary duties.

(b) by the Requisite Consenting Lenders, upon the material breach by any LodgeNet Party of any of the undertakings, representations, warranties or covenants of the LodgeNet Parties set forth in this Agreement, including the LodgeNet Parties' obligations under Section 4, which breach remains uncured for a period of three (3) business days after the receipt by Purchaser and LodgeNet Interactive of written notice of such breach from the Prepetition Agent or any Consenting Lender, unless waived by the Requisite Consenting Lenders;

(c) by LodgeNet Interactive, upon the material breach by any Consenting Lender of any of the undertakings, representations, warranties or covenants of the Consenting Lenders set forth in this Agreement, including the Consenting Lenders' obligations under Section 3, which breach remains uncured for a period of three (3) business days after the receipt of written notice of such breach from the LodgeNet Parties unless waived by the LodgeNet Parties; provided, however, if the LodgeNet Parties otherwise have sufficient support from the other non-breaching Consenting Lenders to obtain confirmation of the Approved Plan notwithstanding such breach, such breach shall not result in termination of this Agreement;

(d) by the Requisite Consenting Lenders upon the occurrence of any of the following, unless, if applicable, the applicable deadline is extended by the Requisite Consenting Lenders in writing:

(i) at 5:00 p.m. prevailing Eastern Time on January 31, 2013, unless the Petition Date has occurred and the LodgeNet Parties have filed the Approved Plan and Disclosure Statement, in accordance with Sections 1(a) and 1(b) hereof;

(ii) at 5:00 p.m. prevailing Eastern Time on the first business day that is five (5) calendar days after the Petition Date, unless the Bankruptcy Court shall have entered either (a) the Interim DIP Order consistent in all respects with the DIP Term Sheet attached hereto as Exhibit C or (b) the Interim Cash Collateral Order providing the Prepetition Lenders with adequate protection as set forth in the DIP Term Sheet attached hereto as Exhibit C, in each case in accordance with Section 1(b) hereof, so long as the Consenting Lenders have taken reasonable efforts to support such interim orders;

(iii) at 11:59 p.m. prevailing Eastern Time on the first business day that is forty-five (45) calendar days after the Petition Date, unless the Bankruptcy Court shall have entered either (a) the Final DIP Order consistent in all respects

with the DIP Term Sheet attached hereto as Exhibit C or (b) the Final Cash Collateral Order providing the Prepetition Lenders with adequate protection as set forth in the DIP Term Sheet attached hereto as Exhibit C, in each case in accordance with Section 1(b) hereof, so long as the Consenting Lenders have taken reasonable efforts to support such final orders;

(iv) at 11:59 p.m. prevailing Eastern Time on the first business day that is sixty (60) calendar days after the Petition Date, unless the Bankruptcy Court shall have entered the Disclosure Statement Order, in accordance with Section 1(b) hereof (the "**Disclosure Statement Approval Date**");

(v) at 11:59 p.m. prevailing Eastern Time on the first business day that is ten (10) calendar days after the Disclosure Statement Approval Date, unless the LodgeNet Parties have commenced the Solicitation (the "**Solicitation Commencement Date**");

(vi) at 11:59 p.m. prevailing Eastern Time on the first business day that is (A) in the case the Solicitation Commencement Date occurs on or prior to the Petition Date sixty (60) calendar days after the Petition Date or (B) in the case the Solicitation Commencement Date occurs after the Petition Date, the earlier of (x) sixty (60) calendar days after the Solicitation Commencement Date and (y) one hundred and twenty (120) calendar days after the Petition Date, unless the Bankruptcy Court shall have entered the Confirmation Order, in accordance with Section 1(b) hereto and in the form of the Confirmation Order attached to the Investment Agreement;

(vii) at 11:59 p.m. prevailing Eastern Time on the first business day that is fifteen (15) calendar days following entry by the Bankruptcy Court of the Confirmation Order if there has not occurred substantial consummation (as defined in section 1101 of the Bankruptcy Code) of the Approved Plan on or before such date;

(viii) upon the filing by the LodgeNet Parties of any motion or other request for relief seeking to (1) dismiss any of the Chapter 11 Cases, (2) convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (3) appoint a trustee or an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code in any of the Chapter 11 Cases;

(ix) upon the entry of an order by the Bankruptcy Court (1) dismissing any of the Chapter 11 Cases, (2) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (3) appointing a trustee or an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code in any of the Chapter 11 Cases, (4) terminating or shortening exclusivity under section 1121 of the Bankruptcy Code, (5) making a finding of fraud, dishonesty or misconduct by any executive, officer or director of the LodgeNet Parties, regarding or relating to the LodgeNet Parties;

(x) upon the withdrawal, amendment or modification by the LodgeNet Parties of the Approved Plan, the Disclosure Statement, the Confirmation Order, the New Term Loan Documents or the Exit Revolver Agreement, in any manner other than as may be permitted in Section 9 hereof, or the filing by a LodgeNet Party of a pleading seeking to amend or modify the Interim DIP Order or Final DIP Order, the Approved Plan, the Disclosure Statement, the Confirmation Order, the New Term Loan Documents or the Exit Revolver Agreement, in each case without the consent of the Requisite Consenting Lenders, or if any of the LodgeNet Parties files any motion or pleading with the Bankruptcy Court that is not consistent in any respect with this Agreement, the Approved Plan, the Disclosure Statement, the Confirmation Order, the New Term Loan Documents or the Exit Revolver Agreement (in each case with such amendments and modifications as have been effected or would be permitted in accordance with the terms hereof) and such motion or pleading has not been withdrawn prior to the earlier of (i) three (3) business days after the LodgeNet Parties and the Purchaser receive written notice from the Requisite Consenting Lenders and (ii) the entry of an order of the Bankruptcy Court approving such motion;

(xi) the Bankruptcy Court grants relief that is inconsistent with this Agreement, the Approved Plan, the New Term Loan Documents or the Exit Revolver Agreement in any material respect (in each case with such amendments and modifications as have been properly effected or are permitted in accordance with the terms hereof);

(xii) any of the LodgeNet Parties files, proposes or otherwise supports any plan of liquidation, asset sale of all or a material portion of LodgeNet Interactive's assets or plan of reorganization other than the Approved Plan;

(xiii) upon the discovery of any gross negligence, willful misconduct or fraud by any officer or director of a LodgeNet Party that has a material adverse effect on any Consenting Lender;

(xiv) the issuance by any governmental authority, or any other regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Restructuring, other than a ruling or order that is subject to a bona fide challenge or appeal;

(xv) the entry of an order by any court of competent jurisdiction invalidating, disallowing, subordinating, or limiting, in any respect, as applicable, the enforceability, priority, or validity of the Lender Claims or claims granted under the Interim DIP Order or Final DIP Order or the liens securing each of the foregoing, other than a ruling or order that is subject to a bona fide challenge or appeal;

(xvi) except as resulting from (A) the filing of the Chapter 11 Cases, (B) any financial covenant default, (C) any payment default (whether of interest or principal or otherwise), (D) any breach or default under the HBO Services

Affiliation Agreement for Lodging Industry Distributor, dated as of December 1, 2003 (as amended, supplemented or otherwise modified), between LodgeNet Interactive and Home Box Office, Inc., or (E) any breach or default under the SMATV Sales Agency and Transport Services Agreement, dated as of September 19, 2010 (as amended, supplemented or otherwise modified), as in effect on the date hereof, between LodgeNet Interactive and DirecTV, Inc. (k/n/a DirecTV, LLC), any breach of or default under (subject to applicable grace periods), (i) the Prepetition Credit Agreement that has not been specifically waived, consented to or forborne by the Lenders prior to the date hereof, that would be adverse to the Consenting Lenders, (ii) any waivers or forbearance agreements executed in connection with the Prepetition Credit Agreement, that would be adverse to the Consenting Lenders (iii) the Interim DIP Order or (iv) the Final DIP Order;

(xvii) a bankruptcy filing by any of the LodgeNet Parties in any jurisdiction other than as provided for in this Agreement; or

(xviii) termination of the Investment Agreement, or if Colony or any LodgeNet Party is in breach of its obligations under the Investment Agreement which breach would permit the other party to terminate the Investment Agreement, and such breach has not been cured or waived within five (5) calendar days of the notice thereof to the Consenting Lenders, provided, however, that if the Requisite Consenting Lenders have not exercised their right to terminate this Agreement pursuant to this Section 5(d)(xviii) and such breach has been cured or waived following such five (5) calendar day period, the Requisite Consenting Lenders shall no longer have the right to terminate this Agreement pursuant to this Section 5(d)(xviii) on account of such breach.

For the avoidance of doubt, the Parties hereby waive any requirement under section 362 of the Bankruptcy Code to lift the automatic stay thereunder for purposes of providing notice under this Agreement (and agree not to object to any non-breaching Party seeking, if necessary, to lift such automatic stay in connection with the giving any such notice).

Upon termination of this Agreement, this Agreement shall forthwith become void and of no further force or effect, each Party hereto shall be released from its commitments, undertakings and agreements under this Agreement or related to this Agreement and the Approved Plan, as applicable, and there shall be no liability or obligation on the part of any Party hereto; provided that in no event shall any such termination relieve a Party hereto from (i) liability for its breach or non-performance of its obligations hereunder prior to the date of such termination, notwithstanding any termination of this Agreement by any other Party, and (ii) obligations under this Agreement which expressly survive any such termination pursuant to Section 17 hereunder. Upon termination of this Agreement in accordance with its terms, any and all consents, tenders, waivers, forbearances and votes delivered by a Prepetition Lender Party prior to such termination, shall be deemed, for all purposes, to be null and void

from the first instance and shall not be considered or otherwise used in any manner by any Party.

6. Good Faith Cooperation; Further Assurances. Each of the Parties shall, and each of the LodgeNet Parties shall cause each of their subsidiaries to, cooperate with each other in good faith and shall coordinate their activities (to the extent practicable) in respect of all matters concerning the implementation and consummation of the Restructuring and the Approved Plan. Furthermore, each of the Parties shall, and each of the LodgeNet Parties shall cause each of their subsidiaries to, take such action (including executing and delivering any other agreements and making and filing any required regulatory filings) as may be reasonably necessary to carry out the purposes and intent of this Agreement and the Approved Plan.

7. Remedies. All remedies that are available at law or in equity, including specific performance and injunctive or other equitable relief, to any Party for a breach of this Agreement by another Party shall be available to the non-breaching Party (for the avoidance of doubt, if there is a breach of the Agreement by a Consenting Lender, money damages shall be an insufficient remedy to the other Consenting Lenders or the LodgeNet Parties and any of the LodgeNet Parties or the other Consenting Lenders can seek specific performance as against another Consenting Lender); provided further that in connection with any remedy asserted in connection with this Agreement, each Party agrees to waive any requirement for the securing or posting of a bond in connection with any remedy. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Party or any other Party. Notwithstanding the foregoing, neither injunctive relief nor specific performance shall be available against any of the LodgeNet Parties.

8. Prior Negotiations and Entire Agreement. This Agreement supersedes all prior negotiations, and documents reflecting such prior negotiations, between and/or among the LodgeNet Parties and the Consenting Lenders (and their respective advisors) with respect to the subject matter hereof; provided that the Parties acknowledge and agree that any confidentiality agreements heretofore executed between the LodgeNet Parties and any Consenting Lender shall continue in full force and effect, as provided therein.

9. Amendments and Waivers. This Agreement and the New Term Loan Documents may be amended, modified or supplemented only with the express written consent of the Requisite Consenting Lenders. The Approved Plan, the Disclosure Statement, the Confirmation Order and the Exit Revolver Agreement may be amended, modified or supplemented only with the express written consent of the Requisite Consenting Lenders (such consent not to be unreasonably withheld); provided however that the Approved Plan, the Disclosure Statement and the Confirmation Order may only be amended, modified or supplemented with the express written consent of the Requisite Consenting Lenders, without regard to reasonableness, to the extent such amendment, modification or supplement would have an adverse effect on any Consenting Lender except, with respect to the Disclosure Statement, to the extent necessary to rectify any untrue statements; provided further that no amendment, waiver, modification or other supplement to the Approved Plan or the New Term Loan Documents may impose less favorable

treatment of any Consenting Lender Claims, or any group of Consenting Lender Claims, or its or their rights and obligations hereunder and under the Approved Plan or the New Term Loan Documents compared to those of the Consenting Lenders generally, without such Consenting Lender's, or such group of Consenting Lenders', express written consent.

10. Independent Analysis; Independence of Consenting Lenders. Each Consenting Lender hereby confirms that it has made its own decision to execute this Agreement based upon its own independent assessment of documents and information available to it, as it has deemed appropriate. Each Consenting Lender is acting independent of the other Consenting Lender and shall not be responsible in any way for the performance of the obligations of any other Consenting Lender.

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

12. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws that would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in either a state or federal court of competent jurisdiction in the State and County of New York. By execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably accepts and submits itself to the nonexclusive jurisdiction of each such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to jurisdiction in either a state or federal court of competent jurisdiction in the State and County of New York, upon the commencement of the Chapter 11 Cases, each of the Parties hereto hereby agrees that, if the petitions have been filed and the Chapter 11 Cases are pending, the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of or in connection with this Agreement. EACH PARTY HERETO UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO ABOVE.

13. Execution Date. This Agreement shall become effective, and each Party hereto shall be bound to the terms of this Agreement, as of the date the LodgeNet Parties and each of the Consenting Lenders have executed and delivered a signature page to this Agreement (the "**Execution Date**").

14. Notices. All demands, notices, requests, consents and other communications under this Agreement shall be in writing, sent contemporaneously to all of the Consenting Lenders, Purchaser, Colony and the LodgeNet Parties, and deemed given when delivered, if delivered by hand, or upon confirmation of transmission, if delivered by email or facsimile, at the addresses and facsimile numbers set forth on Schedule 1 hereto. Notice of determinations by

the Requisite Consenting Lenders will be provided by counsel to the Prepetition Agent to counsel to the LodgeNet Parties.

15. Reservation of Rights. Except as expressly provided in this Agreement (and by implication, the Plan or the New Term Loan Documents), nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each Party to protect and preserve its rights, remedies and interests, including the Lender Claims and any other claims against the LodgeNet Parties or other parties, or its full participation in the Chapter 11 Cases, or the rights, remedies and interests of the Purchaser under the Investment Agreement. Without limiting the foregoing sentence in any way, after any termination of this Agreement, the Parties hereto each fully reserve any and all of their respective rights, remedies and interests, in the case of any claim for breach of this Agreement. Furthermore, nothing in this Agreement shall be construed to prohibit any Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases so long as such appearance and the positions advocated in connection therewith are consistent with this Agreement and the Approved Plan, and are not for the purpose of, and could not reasonably be expected to have the effect of, hindering, delaying or preventing the consummation of the Restructuring or the Approved Plan. Notwithstanding anything contained in this Agreement, this Agreement, the Approved Plan, the Disclosure Statement and all other exhibits, schedules and appendices thereto are subject to Rule 408 of the Federal Rules of Evidence and shall not be admissible into evidence other than in a proceeding seeking to enforce their terms.

16. Rule of Interpretation. Notwithstanding anything contained herein to the contrary, it is the intent of the Parties that all references to votes or voting in this Agreement be interpreted to include (a) votes or voting on a plan of reorganization under the Bankruptcy Code and (b) all means of expressing agreement with, or rejection of, as the case may be, a restructuring or reorganization transaction that is not implemented under the Bankruptcy Code.

17. Survival. Notwithstanding (i) any sale, transfer or assignment of the Lender Claims in accordance with Section 3(b) or (ii) the termination of this Agreement in accordance with its terms, the agreements and obligations of the Parties in Sections 4(b), 8, 10, 11, 12, 15, 19, 22, 23, and 24 shall survive such sale and/or termination and shall continue in full force and effect for the benefit of the Consenting Lenders in accordance with the terms hereof.

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

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

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

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

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

23. Publicity. The LodgeNet Parties will submit to Akin Gump all press releases, public filings, public announcements or other communications with any news media relating to this Agreement or the Transactions. The LodgeNet Parties shall not (a) use the name of any Consenting Lender in any press release without such Consenting Lender's prior written consent or (b) except as required by law, disclose to any person, other than legal, accounting, financial and other advisors to the LodgeNet Parties, the principal amount or percentage of Lender Claims held by any Consenting Lender or any of its respective subsidiaries; provided, however, that the LodgeNet Parties shall be permitted to disclose at any time the aggregate principal amount of, and aggregate percentage of, any class of Lender Claims held by the Consenting Lenders as a group. Notwithstanding the foregoing, the Consenting Lenders hereby consent to the disclosure by the LodgeNet Parties in the Approved Plan and the Disclosure Statement, as applicable, as well as any required filings by the LodgeNet Companies with the Bankruptcy Court or as otherwise required by law or regulation, of the execution, terms and contents of this Agreement and the aggregate principal amount of, and aggregate percentage of, any class of Lender Claims held by the Consenting Lenders as a group.

24. Fiduciary Duties. None of the Consenting Lenders shall have any fiduciary duties or other duties or responsibilities to each other, any Prepetition Lender, the LodgeNet Parties or any of the LodgeNet Parties' shareholders, creditors or other stakeholders.

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

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

LODGENET INTERACTIVE CORPORATION

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

LODGENET STAYONLINE, INC.

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

LODGENET INTERNATIONAL, INC.

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

LODGENET HEALTHCARE, INC.

By:_____
Name: Gary Kolbeck
Title: President

ON COMMAND CORPORATION

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

ON COMMAND VIDEO CORPORATION

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

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

LODGENET INTERACTIVE CORPORATION

By: _____
Name: James G. Naro
Title: Senior Vice President and General Counsel

LODGENET STAYONLINE, INC.

By: _____
Name: James G. Naro
Title: Senior Vice President and General Counsel

LODGENET INTERNATIONAL, INC.

By: _____
Name: James G. Naro
Title: Senior Vice President and General Counsel

LODGENET HEALTHCARE, INC.

By: _____
Name: Gary Kolbeck
Title: President

ON COMMAND CORPORATION

By: _____
Name: James G. Naro
Title: Senior Vice President and General Counsel

ON COMMAND VIDEO CORPORATION

By: _____
Name: James G. Naro
Title: Senior Vice President and General Counsel

PUERTO RICO VIDEO ENTERTAINMENT CORPORATION

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

VIRGIN ISLAND VIDEO ENTERTAINMENT CORPORATION

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

SPECTRADYNE INTERNATIONAL, INC.

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

THE HOTEL NETWORKS, INC.

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

HOTEL DIGITAL NETWORK, INC.

By:_____
Name: James G. Naro
Title: Senior Vice President and General Counsel

Eaton Vance CDO VIII, Ltd.
By: Eaton Vance Management
As Investment Advisor

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

Eaton Vance CDO IX Ltd.
By: Eaton Vance Management
as Investment Advisor

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

EATON VANCE SENIOR FLOATING-RATE TRUST
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

EATON VANCE FLOATING-RATE INCOME TRUST
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

Eaton Vance International (Cayman Islands) Floating-Rate Income Portfolio
By: Eaton Vance Management as Investment Advisor

By: Michael B. Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

EATON VANCE SENIOR INCOME TRUST
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

EATON VANCE INSTITUTIONAL SENIOR LOAN FUND
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

EATON VANCE
LIMITED DURATION INCOME FUND
BY: EATON VANCE MANAGEMENT
AS INVESTMENT ADVISOR

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

GRAYSON & CO
BY: BOSTON MANAGEMENT AND RESEARCH
AS INVESTMENT ADVISOR

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

MET INVESTORS SERIES TRUST-
MET/EATON VANCE FLOATING RATE PORTFOLIO
BY EATON VANCE MANAGEMENT
AS INVESTMENT SUB-ADVISOR

By: Michael B. Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:
[redacted]

PACIFIC SELECT FUND
FLOATING RATE LOAN PORTFOLIO
BY: EATON VANCE MANAGEMENT
AS INVESTMENT SUB-ADVISOR

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

Eaton Vance Funds Variable Series Trust II -
Variable Portfolio-
Eaton Vance Floating-Rate Income Fund
By: Eaton Vance Management
as Investment Sub-Advisor

By: Michael B Botthof

Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

SENIOR DEBT PORTFOLIO
By: Boston Management and Research
as Investment Advisor

By: Michael B Botthof
Name: Michael B. Botthof
Title: Vice President

Address: Eaton Vance
Two International Place
Boston, MA 02110
Attn: Raymond Peepgass
Tel: (617) 672-8115
Fax: —
Email: RPeepgass@eatonvance.com

Aggregate principal amount of Lender Claims:

[redacted]

GENERAL ELECTRIC CAPITAL CORPORATION

By: _____

Name:

Title: Kirk E. Sonnefeld
Duly Authorized Signatory

Address: 11175 Cicero Drive, Suite 600
Alpharetta, GA 30022
Attn: Kirk Sonnefeld/LodgeNet Account Manager
Tel: 678-624-7900
Fax: 678-624-7903
Email:kirk.sonnefeld@ge.com

Aggregate principal amount of Lender Claims:

[redacted]

Hayman Capital Master Fund, LP

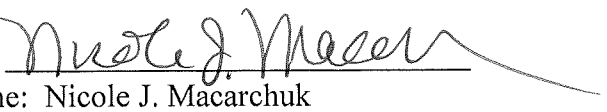
By: _____
Name: Debby LaMoy
Title: Chief Operating Officer

Address: 2101 Cedar Springs Road
Suite 1400
Dallas, TX 75201
Attn: Debby LaMoy
Tel: 214-347-8050
Fax: 214-.347-8051
Email:ops@haymancapital.com

Aggregate principal amount of Lender Claims:

[redacted]

Oregon Public Employees Retirement Fund

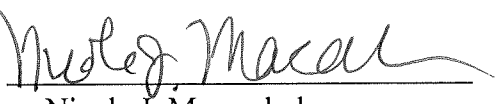
By: 
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address: KKR Asset Management
555 California Street, Ste 5000
San Francisco, CA 94104
Attn: General Counsel
Tel: 415-315-3620
Fax: 415391-3330
Email: kamlegal@kkr.com

Aggregate principal amount of Lender Claims:

[redacted]

Maryland State Retirement and Pension System

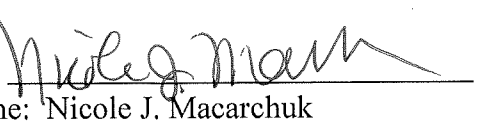
By: 
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address: KKR Asset Management
555 California Street, Ste 5000
San Francisco, CA 94104
Attn: General Counsel
Tel: 415-315-3620
Fax: 415391-3330
Email: kamlegal@kkr.com

Aggregate principal amount of Lender Claims:

[redacted]

KKR Floating Rate Fund L.P.

By: 
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address: KKR Asset Management
555 California Street, Ste 5000
San Francisco, CA 94104
Attn: General Counsel
Tel: 415-315-3620
Fax: 415391-3330
Email: kamlegal@kkr.com

Aggregate principal amount of Lender Claims:

[redacted]

KKR FINANCIAL CLO 2007-1, LTD.

By: Nicole J. Macarchuk
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address: KKR Asset Management
555 California Street, Ste 5000
San Francisco, CA 94104
Attn: General Counsel
Tel: 415-315-3620
Fax: 415391-3330
Email: kamlegal@kkr.com

Aggregate principal amount of Lender Claims:

[redacted]

KKR FINANCIAL CLO 2006-1, LTD.

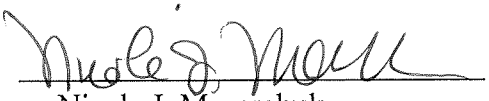
By: 
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address: KKR Asset Management
555 California Street, Ste 5000
San Francisco, CA 94104
Attn: General Counsel
Tel: 415-315-3620
Fax: 415391-3330
Email: kamlegal@kkr.com

Aggregate principal amount of Lender Claims:

[redacted]

KKR Corporate Credit Partners L.P.

By: 
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address: KKR Asset Management
555 California Street, Ste 5000
San Francisco, CA 94104
Attn: General Counsel
Tel: 415-315-3620
Fax: 415391-3330
Email: kamlegal@kkr.com

Aggregate principal amount of Lender Claims:

[redacted]

ACE TEMPEST REINSURANCE LTD.

By: 
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address: KKR Asset Management
555 California Street, Ste 5000
San Francisco, CA 94104
Attn: General Counsel
Tel: 415-315-3620
Fax: 415391-3330
Email: kamlegal@kkr.com

Aggregate principal amount of Lender Claims:

[redacted]

CIFC Funding 2007-IV, Ltd.
Aggregate principal amount of Lender Claims:

[redacted]

CIFC Funding 2011-I, Ltd.
Aggregate principal amount of Lender Claims:

[redacted]

Navigator CDO 2005, Ltd.
Aggregate principal amount of Lender Claims:

[redacted]

By: CIFC Asset Management LLC, its Collateral Manager

By: _____
Name: R. Ranocchia
Title: Authorized Signatory

Hewett's Island CLO V, Ltd.
Aggregate principal amount of Lender Claims:

[redacted]

Hewett's Island CLO VI, Ltd.
Aggregate principal amount of Lender Claims:

[redacted]

Primus CLO II, Ltd.
Aggregate principal amount of Lender Claims:

[redacted]

By: CypressTree Investment Management, LLC, its Collateral Manager

By: _____
Name: R. Ranocchia
Title: Authorized Signatory

Bridgeport CLO Ltd.
Aggregate principal amount of Lender Claims:

[redacted]

By: Deerfield Capital Management LLC, its Collateral Manager

By:_____
Name: R. Rauccchia
Title: Authorized Signatory

ColumbusNova CLO Ltd. 2006-I
Aggregate principal amount of Lender Claims:

[redacted]

ColumbusNova CLO Ltd. 2006-II
Aggregate principal amount of Lender Claims:

[redacted]

ColumbusNova CLO Ltd. 2007-I
Aggregate principal amount of Lender Claims:

[redacted]

ColumbusNova CLO IV Ltd. 2007-II
Aggregate principal amount of Lender Claims:

[redacted]

By: Columbus Nova Credit Investments Management, LLC, its Collateral Manager

By:_____
Name: R. Rauccchia
Title: Authorized Signatory

Address: 250 Park Ave
New York, NY 10177

Attn: Robert Ranocchia
Tel: 212 624 1216
Fax: 212 624 1199
Email: rranocchia@cifc.com

SCHEDULE 1

NOTICE ADDRESSES

If to the LodgeNet Parties:

LodgeNet Interactive Corporation
3900 West Innovation Street
Sioux Falls, SD 57107
Attn: James Naro, Esq.
Facsimile: (605) 988-1323
Email: james.naro@lodgenet.com

with a copy to:

Weil, Gotshal & Manges LLP
767 Fifth, Avenue
New York, New York 10153
Attn: Gary T. Holtzer, Esq. and Ted S. Waksman, Esq.
Facsimile: (212) 310-8007
Email: gary.holtzer@weil.com and ted.waksman@weil.com

If to a Consenting Lender or a transferee thereof, to the addresses or facsimile numbers set forth below following the Consenting Lender's signature (or as directed by any transferee thereof), as the case may be, (or at such other addresses or facsimile numbers as shall be specified by like notice) with a copy to:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Michael S. Stamer, Esq. and Philip C. Dublin, Esq.
Facsimile: (212) 872-1002
Email: mstamer@akingump.com and pdublin@akingump.com

EXHIBIT A

APPROVED PLAN

Intentionally Omitted.

EXHIBIT B

JOINDER

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Plan Support and Lockup Agreement, dated as of December 30, 2012 (the "**Agreement**"), by and among the LodgeNet Parties (as defined in the Agreement), [Transferor Consenting Lender Name] ("**Transferor**") and certain other lenders party thereto, and agrees to be bound by the terms and conditions thereof to the extent Transferor was thereby bound, and shall be deemed a "Consenting Lender" under the terms of the Agreement.

Date Executed: _____

[TRANSFEREE]

By: _____
Name:
Title:

Address: _____
_____
_____
Attn: _____
Fax: _____
Email:_____

Aggregate principal amount of Lender Claims outstanding: $_____, of which $_____ was acquired from Transferor

EXHIBIT C

DIP TERM SHEET

Intentionally Omitted.

EXHIBIT C

DIP LOAN COMMITMENT LETTER

Highly Confidential

December 30, 2012

LodgeNet Interactive Corporation
3900 West Innovation Street
Sioux Falls, South Dakota 57101
Attention: Chief Financial Officer

COMMITMENT LETTER

Ladies and Gentlemen:

LodgeNet Interactive Corporation, a Delaware corporation (the "**Borrower**"), has advised the undersigned banks and other financial institutions or entities (each an "**Initial Lender**" and, collectively the "**Initial Lenders**") and Gleacher Products Corp. (in its capacity as administrative agent, the "**Administrative Agent**"), that the Borrower, together with all of its direct and indirect domestic subsidiaries (collectively, the "**Guarantors**"), are considering filing voluntary petitions for relief (the "**Cases**") under chapter 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**"), and that the Borrower desires to establish a $30 million senior secured superpriority credit facility on terms and conditions substantially consistent with those set forth in the attached term sheet (the "**Term Sheet**") for the Borrower as a debtor-in-possession pursuant to the Bankruptcy Code (the "**DIP Facility**"). The obligations of the Borrower under the DIP Facility will be guaranteed by the Guarantors.

Section 1. Commitments. In connection with the foregoing, and subject to the terms and conditions set forth herein and the Term Sheet (collectively, and together with the Fee Letter referred to below, this "**Commitment Letter**"), you have requested that each Initial Lender commit, severally and not jointly, to provide, to the Borrower, the amount of the Delayed Draw Term Facility set forth on Schedule I hereto.

Based on the foregoing, each Initial Lender is pleased to confirm its several and not joint commitment to provide, or cause one or more of its affiliates (or any investment advisory client managed or advised by such Initial Lender) to provide, to the Borrower, the amount of the Delayed Draw Term Facility set forth on Schedule I hereto; provided that each such commitment shall be reduced on a pro rata basis (based on the commitments set forth on Schedule I) to the extent any lenders under that certain Credit Agreement, dated April 4, 2007, among the Borrower, the lenders from time to time party thereto (the "**Prepetition Lenders**"), and Gleacher Products Corp., as administrative agent (other than the Initial Lenders) elect to participate in the Delayed Draw Term Facility.

The rights and obligations of each of the Initial Lenders under this Commitment Letter shall be several and not joint, and no failure of any Initial Lender to comply with any of its obligations hereunder shall prejudice the rights of any other Initial Lender; provided that no Initial Lender shall be required to fund the commitment of another Initial Lender in the event such other Initial Lender fails to do so (the "**Breaching Party**"), but may at its option do so, in whole or in part, in which case such performing Initial Lender shall be entitled to all or a proportionate share, as the case may be, of the DIP Facility and related fees that would otherwise be issued to the Breaching Party.

Notwithstanding the foregoing, no such funding by an Initial Lender of the portion of the DIP Facility not funded by a Breaching Party shall constitute a waiver by the Borrower of such failure to fund by

such Breaching Party of its obligations under this Commitment Letter, and the Borrower shall retain all rights and remedies available under law or in equity against such Breaching Party for its failure to perform its commitments and obligations hereunder.

Section 2. Conditions Precedent. The Initial Lenders' commitment and other obligations hereunder are subject to: (i) the preparation, execution and delivery of mutually acceptable loan documentation, including without limitation, a credit agreement, security agreements, guaranties and other agreements, incorporating substantially the terms and conditions outlined in this Commitment Letter and otherwise reasonably satisfactory to the Initial Lenders and the Borrower (the "**DIP Loan Documents**"); (ii) the accuracy and completeness in all material respects of all representations that the Borrower makes to the Initial Lenders and all Information (as defined below) that the Borrower furnishes to the Initial Lenders; (iii) the Borrower's compliance with the terms of this Commitment Letter, including without limitation, the payment in full when due of all fees, expenses and other amounts payable under this Commitment Letter and the Fee Letter; and (iv) the satisfaction of the other conditions precedent to the initial extension of credit under the DIP Facility contained in the Term Sheet. You and we each agree to diligently negotiate in good faith to finalize the DIP Loan Documents following the execution and delivery of this Commitment Letter.

Section 3. Commitment Termination. The Initial Lenders' commitment and other obligations set forth in this Commitment Letter will terminate on the earlier of (a) the date the DIP Loan Documents become effective, (b) the date the Plan Support Agreement (as defined in the Term Sheet) is terminated and (c) February 5, 2013. Notwithstanding the foregoing, the termination of the Initial Lenders' commitment and other obligations hereunder will not affect Sections 4 through 12, which provisions will survive any such termination.

Section 4. Fees. In addition to the fees described in the Term Sheet, the Borrower will pay the non-refundable fees set forth in the letter agreement dated the date hereof (the "**Fee Letter**") between the Borrower, the Initial Lenders and the Administrative Agent. The terms of the Fee Letter are an integral part of the Initial Lenders' commitment and other obligations hereunder and constitute part of this Commitment Letter for all purposes hereof.

Section 5. Indemnification. The Borrower agrees to indemnify and hold harmless each of the Initial Lenders and the Administrative Agent and each of their affiliates and each of their respective officers, directors, employees, agents, advisors and representatives (each, an "**Indemnified Party**") from and against any and all claims, damages, losses, liabilities and expenses (including without limitation, reasonable and properly documented legal fees and disbursements of outside counsel), that may be incurred by or asserted or awarded against any Indemnified Party (including, without limitation, in connection with any investigation, litigation or proceeding or the preparation of a defense in connection therewith), in each case, arising out of or in connection with or by reason of this Commitment Letter or the DIP Loan Documents or the transactions contemplated hereby or thereby or any actual or proposed use of the proceeds of the DIP Facility, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity will be effective whether or not such investigation, litigation or proceeding is brought by the Borrower, any of its directors, security holders or creditors, an Indemnified Party or any other person or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated.

No Indemnified Party will have any liability (whether in contract, tort or otherwise) to the Borrower or any of its affiliates or any of their respective security holders or creditors for or in connection with the transactions contemplated hereby, except to the extent such liability is determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's

gross negligence or willful misconduct. In no event, however, will any Indemnified Party be liable on any theory of liability for any special, indirect, consequential or punitive damages (including without limitation, any loss of profits, business or anticipated savings).

Section 6. Costs and Expenses. The Borrower will pay, or reimburse the Initial Lenders and Administrative Agent on demand for, all reasonable out-of-pocket costs and expenses incurred by the Initial Lenders or Administrative Agent (whether incurred before or after the date hereof) in connection with the DIP Facility and the preparation, negotiation, execution and delivery of this Commitment Letter, including without limitation, the reasonable and properly documented fees and expenses of outside legal counsel, regardless of whether any of the transactions contemplated hereby are consummated (but limited, in the case of legal fees and disbursements, to one counsel to the Initial Lenders and the Administrative Agent, taken as a whole, and, solely in the case of a conflict of interest, one additional counsel to the Initial Lenders and the Administrative Agent, taken as a whole (and, if reasonably necessary, of one local counsel in any relevant material jurisdiction to all such persons, taken as a whole)). The Borrower will also pay all out-of-pocket costs and expenses of the Initial Lenders and Administrative Agent (including without limitation, the fees and disbursements of outside counsel) incurred in connection with the enforcement of any of its rights and remedies under this Commitment Letter.

Section 7. Confidentiality. By accepting delivery of this Commitment Letter, the Borrower agrees that this Commitment Letter is for the Borrower's confidential use only and that neither its existence nor its terms will be disclosed by the Borrower to any person; *provided* that this Commitment Letter and its terms, other than the Fee Letter and its contents (except as otherwise set forth in the Fee Letter), may be disclosed by the Borrower to (i) (A) the Borrower's affiliates and its and their respective officers, directors, employees, advisors, agents and representatives (the "**Borrower Representatives**") and (B) Colony Capital, LLC and its affiliates and its and their respective officers, directors, employees, advisors, agents and representatives on a confidential basis in connection with the transactions contemplated hereby and (ii) the Prepetition Lenders and their respective officers, directors, employees, advisors, agents and representatives, which in each case have agreed to maintain this Commitment Letter and its terms on a confidential basis, only on a confidential and "need to know" basis in connection with the transactions contemplated hereby; *provided, further*, that the Borrower may make such public disclosures of the terms and conditions hereof (other than the Fee Letter and its contents (except as otherwise set forth in the Fee Letter)) (i) as the Borrower is required by law or compulsory legal process, under advice of the Borrower's counsel, to make and (ii) in connection with its press releases to the public announcing the proposed transactions with Colony Capital, LLC and its affiliates. Notwithstanding the foregoing, the parties hereto agree that the Borrower shall be permitted to disclose the Fee Letter and its contents to the Bankruptcy Court in connection with the Cases to the extent advised by the Borrower's counsel that such disclosure is necessary or appropriate.

Section 8. Representations and Warranties of the Borrower. The Borrower represents and warrants that (i) all information, other than Projections (as defined below) and information of a general economic or industry nature, that has been or will hereafter be made available to the Initial Lenders or Administrative Agent by the Borrower or any Borrower Representatives in connection with the transactions contemplated hereby (the "**Information**"), when taken as a whole, is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein (after giving effect to all supplements and updates from time to time) not materially misleading, in light of the circumstances under which such statements were or are made and (ii) all financial projections, if any, that have been or will be prepared by the Borrower or any Borrower Representatives and made available to the Initial Lenders, any Lender, any potential Lender or the Administrative Agent (the "**Projections**") have been or will be prepared in good faith based upon assumptions that are or were believed in good faith by the Borrower to be reasonable as of the date of the preparation of such Projections (it being understood that the Projections are not to be viewed as facts and are subject to significant uncertainties and contingencies, many of which are beyond the Borrower's control, that no assurance can be given that the Projections will be realized, that

actual results may differ from projected results and such differences may be material). The Borrower agrees to supplement the Information and/or Projections from time to time until the Closing Date so that the representations and warranties in the preceding sentence are correct in all material respects on the Closing Date as if the Information and/or Projections were being furnished, and such representations and warranties were being made, on such date.

In providing this Commitment Letter and in arranging the DIP Facility, the Initial Lenders are relying on the accuracy of the Information furnished to it by or on behalf of the Borrower or any Borrower Representatives without independent verification thereof.

Section 9. No Third Party Reliance, Not a Fiduciary, Etc. The agreements of the Initial Lenders hereunder are made solely for the benefit of the Borrower and may not be relied upon or enforced by any other person. Please note that those matters that are not covered or made clear herein are subject to mutual agreement of the parties. No party to this Commitment Letter may assign or delegate any of its rights or obligations hereunder (other than any assignment or delegation to any other Prepetition Lender or its affiliates) without the prior written consent of the other parties hereto. This Commitment Letter may not be amended or modified, or any provision hereof waived, except by a written agreement signed by all parties hereto.

The Borrower hereby acknowledges that the Initial Lenders are acting pursuant to a contractual relationship on an arm's length basis, and the parties hereto do not intend that the Initial Lenders act or be responsible as a fiduciary to the Borrower, its management, stockholders, creditors or any other person. Each of the Borrower and the Initial Lenders hereby expressly disclaims any fiduciary relationship and agrees they are each responsible for making their own independent judgments with respect to any transactions entered into between them. The Borrower also hereby acknowledges that the Initial Lenders have not advised and are not advising the Borrower as to any legal, accounting, regulatory or tax matters, and that the Borrower is consulting its own advisors concerning such matters to the extent it deems appropriate.

The Borrower understands that the Initial Lenders and their affiliates (collectively, the "**Group**") are engaged in a wide range of financial services and businesses (including investment management, financing, securities trading, corporate and investment banking and research). Members of the Group and businesses within the Group generally act independently of each other, both for their own account and for the account of clients. Accordingly, there may be situations where parts of the Group and/or their clients either now have or may in the future have interests, or take actions, that may conflict with the Borrower's interests. For example, the Group may, in the ordinary course of business, engage in trading in financial products or undertake other investment businesses for their own account or on behalf of other clients, including without limitation, trading in or holding long, short or derivative positions in securities, loans or other financial products of the Borrower or its affiliates or other entities connected with the DIP Facility or the transactions contemplated hereby.

In recognition of the foregoing, the Borrower agrees that the Group is not required to restrict its activities as a result of this Commitment Letter and that the Group may undertake any business activity without further consultation with or notification to the Borrower. Neither this Commitment Letter nor the receipt by the Initial Lenders of confidential information nor any other matter will give rise to any fiduciary, equitable or contractual duties (including without limitation, any duty of trust or confidence) that would prevent or restrict the Group from acting on behalf of other customers or for its own account. Furthermore, the Borrower agrees that neither the Group nor any member or business of the Group is under a duty to disclose to the Borrower or use on behalf of the Borrower any information whatsoever about or derived from those activities or to account for any revenue or profits obtained in connection with such activities. However, consistent with the Group's long-standing policy to hold in confidence the affairs of its customers, the Group will not use confidential information obtained from the Borrower

except in connection with its services to, and its relationship with, the Borrower, provided, however, that the Group will be free to disclose information in any manner as required by law, regulation, regulatory authority or other applicable judicial or government order.

Section 10. Governing Law, Etc. This Commitment Letter will be governed by, and construed in accordance with, the law of the State of New York. This Commitment Letter sets forth the entire agreement between the parties with respect to the matters addressed herein and supersedes all prior communications, written or oral, with respect hereto. This Commitment Letter may be executed in any number of counterparts, each of which, when so executed, will be deemed to be an original and all of which, taken together, will constitute one and the same Commitment Letter. Delivery of an executed counterpart of a signature page to this Commitment Letter by telecopier or electronic transmission will be as effective as delivery of an original executed counterpart of this Commitment Letter.

Section 11. WAIVER OF JURY TRIAL. EACH PARTY HERETO IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS COMMITMENT LETTER OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES HERETO IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

Section 12. Consent to Jurisdiction, Etc. The Borrower irrevocably and unconditionally (i) (A) prior to the filing of the Bankruptcy Cases, submits to the non-exclusive jurisdiction of any New York State or Federal court located in the City of New York and (B) after the filing of the Bankruptcy Cases, submits to the exclusive jurisdiction of any Bankruptcy Court presiding over the Bankruptcy Cases submits to the non-exclusive jurisdiction of any New York State or Federal court located in the City of New York over any suit, action or proceeding arising out of or relating to this Commitment Letter, (ii) accepts for itself and in respect of its property the jurisdiction of such courts, (iii) waives any objection to the laying of venue of any such suit, action or proceeding brought in any such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum and (iv) consents to the service of any process, summons, notice or document in any such suit, action or proceeding by registered mail addressed to the Borrower at its address specified on the first page of this Commitment Letter. A final judgment in any such suit, action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing herein will affect the right of the Initial Lenders to serve legal process in any other manner permitted by law or affect the Initial Lenders' right to bring any suit, action or proceeding against the Borrower or its property in the courts of other jurisdictions. To the extent that the Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Borrower irrevocably waives such immunity in respect of its obligations under this Commitment Letter.

Section 13. Patriot Act Compliance. The Initial Lenders hereby notify the Borrower that pursuant to the requirements of the USA PATRIOT ACT (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Patriot Act**"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Initial Lenders to identify the Borrower in accordance with the Patriot Act. In that connection, the Initial Lenders may also request corporate formation documents, or other forms of identification, to verify information provided.

Please indicate the Borrower's acceptance of the provisions hereof by signing the enclosed copy of this Commitment Letter and the Fee Letter and returning them, at or before 5 p.m. (New York City time) on December 31, 2012, the time at which the Initial Lender's commitment and other obligations hereunder (if

not so accepted prior thereto) will terminate. If the Borrower elects to deliver this Commitment Letter by telecopier or electronic transmission, please arrange for the executed original to follow by next-day courier.

[*Signature Pages to Follow*]

Very truly yours,

GLEACHER PRODUCTS CORP.,
as Administrative Agent

By: _____
Name: Joanna Anderson
Title: Authorized Signatory

Very truly yours,

Gleacher Products Corp.

_____,

as Initial Lender

By _____

Name: Joanna Anderson

Title: Authorized Signatory

Very truly yours,

GRAYSON & CO
BY: BOSTON MANAGEMENT AND RESEARCH
AS INVESTMENT ADVISOR

_____,
as Initial Lender

By _____
Name: Michael B. Botthof
Title: Vice President

Very truly yours,

GENERAL ELECTRIC CAPITAL CORPORATION,
as Initial Lender

By _____
Name: Kirk E. Sonnefeld
Title: Duly Authorized Signatory

Very truly yours,

Hayman Capital Master Fund, LP

_____,

as Initial Lender

By_____

Name: Deborah La Mary

Title: Chief Operating Officer

ACCEPTED AND AGREED
on _____, ____:

LODGENET INTERACTIVE CORPORATION

By _____
Name: James G. Naro
Title: Senior Vice President and General Counsel

SCHEDULE I

COMMITMENTS

Initial Lender	Commitment
Gleacher Products Corp.	[redacted]
Grayson & Co	[redacted]
General Electric Capital Corporation	[redacted]
Hayman Capital Master Fund, LP	[redacted]

LODGENET INTERACTIVE CORPORATION

SENIOR SECURED DEBTOR IN POSSESSION CREDIT FACILITY[1]

SUMMARY OF TERMS AND CONDITIONS

Borrower:	LodgeNet Interactive Corporation, a Delaware corporation (the "*Borrower*"), as a debtor and debtor in possession in a case (the "*Borrower's Case*") under chapter 11 of title 11 of the United States Code (the "*Bankruptcy Code*") to be filed in the United States Bankruptcy Court for the Southern District of New York (the "*Bankruptcy Court*").
Guarantors:	All of the Borrower's direct and indirect domestic subsidiaries (and not, for the avoidance of doubt, any foreign subsidiaries) (collectively, the "*Guarantors*"), each of which will be a debtor and a debtor in possession in cases (collectively, the "*Guarantors' Cases*" and, together with the Borrower's Case, the "*Cases*") under chapter 11 of the Bankruptcy Code filed contemporaneously and jointly administered with the Borrower's Case. The Borrower and the Guarantors are referred to herein as "*Loan Parties*" and each, a "*Loan Party*". All obligations of the Borrower under the DIP Facility will be unconditionally guaranteed by the Guarantors.
Lenders:	Certain lenders party to that certain Credit Agreement, dated as of April 4, 2007 (as amended, restated, amended and restated, supplemented or otherwise modified, the "*Prepetition Credit Agreement*") or their affiliates that subscribe to a commitment under the DIP Facility (the "*Lenders*").[2]
Administrative Agent:	Gleacher Products Corp. (the "*Administrative Agent*").
DIP Facility:	A senior secured credit facility of non-amortizing term loans in an aggregate principal amount of up to $30,000,000 (the "*DIP Facility*"), comprised of (A) a $15,000,000 delayed draw term loan facility (the "*Delayed Draw Term Facility*") of which (i) a principal amount of up to $7,500,000 will be available to be drawn at Closing and (ii) an additional principal amount of up to $7,500,000 will be available to be drawn under the Delayed Draw Term Facility on the date of entry of the Final Order and (B) a dollar for dollar roll up of loans of each Lender and/or its affiliates and/or its designees under the Prepetition Credit

[1] This term sheet reflects a DIP Credit Facility in a prepak Chapter 11.

[2] Back-stop mechanics to be discussed, including consent rights of back-stop parties (the "*Back-Stop Parties*").

	Agreement up to the commitment amount of each Lender (the "*Roll-Up Loans*"). The loans under the Delayed Draw Facility (the "*Delayed Draw Term Loans*" and together with the Roll-Up Loans, the "*DIP Loans*")) may be drawn in minimum amounts of $2,500,000 and in increments of $500,000 in excess thereof and such loans shall be denominated in US Dollars.
DIP Facility Termination Date:	All DIP Loans shall become due and payable on the DIP Facility Termination Date; provided, however, that so long as the Plan Support Agreement has not been terminated, instead of repayment in cash on the DIP Facility Termination Date, the Roll-Up Loans (and all interest accrued thereon during the bankruptcy case) will be deemed to be outstanding under the terms of the exit credit facility on the DIP Facility Termination Date and paid in accordance therewith. The "*DIP Facility Termination Date*" shall be the earliest of (a) the Scheduled Termination Date, (b) 30 days after the entry of the Interim Order (as defined below) if the Final Order (as defined below) has not been entered prior to the expiration of such 30-day period, (c) the consummation of any Section 363 sale, (d) the substantial consummation (as defined in section 1101 of the Bankruptcy Code and which for purposes hereof shall be no later than the "effective date") of a plan of reorganization filed in the Cases that is confirmed pursuant to an order entered by the Bankruptcy Court and (e) the acceleration of the loans and the termination of the commitment with respect to the DIP Facility in accordance with the DIP Loan Documents. "*Scheduled Termination Date*" means the date that is 180 days after the commencement of the Cases.
Purpose:	In accordance with a budget reasonably acceptable to the Lenders (the "*Budget*"), proceeds of the Delayed Draw Term Loans will be used for general corporate purposes of the Loan Parties during the Cases (including payment of fees and expenses in connection with the transactions contemplated hereby, adequate protection payments as set forth on Annex I attached hereto (such adequate protection payments, the "*Adequate Protection Payments*") and working capital), certain transaction fees, costs and expenses and certain other costs and expenses with respect to the administration of the Cases.
DIP Loan Documents:	The DIP Facility will be documented by a Senior Secured Credit Agreement (the "*DIP Credit Agreement*") and other guarantee, security and other relevant documentation

	(together with the DIP Credit Agreement, collectively, the "*DIP Loan Documents*") reflecting the terms and provisions set forth in this term sheet and otherwise in form and substance reasonably satisfactory to the Lenders.
Interest Rates:	Delayed Draw Term Loans will bear interest at LIBOR plus 7.00% with a LIBOR floor of 1.50%. The Roll-Up Loans will continue to bear interest at the rates provided under the Prepetition Credit Agreement.
Default Interest:	During the continuance of an event of default (as defined in the DIP Loan Documents), Delayed Draw Term Loans will bear interest at an additional 2% *per annum*.
Optional Prepayments:	The Borrower may, upon at least 3 business days' notice and (i) at the end of the interest period with respect thereto or (ii) at any other times with the payment of applicable breakage costs, prepay in full or in part, without premium or penalty (other than such breakage costs), the Delayed Draw Term Loans; *provided* that each such partial prepayment shall be in an aggregate amount of $1,000,000 or multiples of $500,000 in excess thereof (or, if less, the then outstanding principal amount of the Delayed Draw Term Loans).
Mandatory Prepayments:	Mandatory prepayments of the Delayed Draw Term Loans shall be required with net cash proceeds from sales or casualty events of any Collateral (excluding sales of inventory in the ordinary course of business and other exceptions to be agreed) above a threshold to be agreed.
Security and Priority:	All amounts owing by the Borrower under the DIP Facility and the obligations of the Guarantors in respect thereof will be secured, subject to a carve-out to be mutually agreed upon (the "*Carve-Out*") for professional fees and expenses for the Loan Parties and an official creditors' committee (and the expenses of members of the official creditors' committee) not to exceed $1,000,000 incurred after the occurrence and continuation of a default or event of default under the DIP Facility plus an additional $50,000 to pay the fees and expenses of the United States Trustee by (i) a first priority perfected pledge of (x) all promissory notes owned by the Borrower and the Guarantors and (y) all capital stock owned by the Borrower and the Guarantors (including 100% of the non-voting capital stock of their respective first-tier foreign subsidiaries but no more than 65% of the voting capital stock of (A) their respective first-tier foreign subsidiaries that are classified as controlled foreign corporations under Section 957 of the Internal Revenue Code ("*CFC*") and (B) entities that are treated as

partnerships or disregarded entities for United States federal income tax purposes and substantially all of whose assets consist of capital stock of CFCs, which CFC stock shall not be pledged) and (ii) a first priority perfected security interest in all other assets owned by the Borrower and the Guarantors, including, without limitation, accounts, inventory, equipment, investment property, instruments, chattel paper, deposit accounts, owned and leased real estate, contracts, patents, copyrights, trademarks, other general intangibles and proceeds of avoidance actions, in each case, subject to customary exclusions to be agreed and the Carve-Out (all aforementioned collateral, the "*Collateral*").

The liens granted under the DIP Facility will prime and be senior to the liens and security interests in the Collateral securing the Prepetition Credit Agreement, and shall be junior only to the Carve Out, valid, perfected, enforceable and unavoidable liens in existence as of Closing, and to valid, enforceable and unavoidable liens in existence as of Closing that are perfected subsequent to Closing as permitted by section 546(b) of the Bankruptcy Code and to other liens and encumbrances permitted by the DIP Loan Documents (which will include, but not be limited to, customary permitted liens, liens securing purchase money financing and capital leases).

In the Cases, the Lenders will be granted in each of the Interim Order and the Final Order a superpriority administrative claim under section 364(c)(1) of the Bankruptcy Code for the payment of the obligations under the DIP Facility with priority above all other administrative claims, subject to the Carve-Out.

Conditions Precedent to the Initial Extension of Credit:

The initial extension of credit (the "*Closing*") under the DIP Facility shall be subject to the following conditions (and the conditions set forth under "Conditions Precedent to Each Loan"):

A. All documentation relating to the DIP Facility shall be in form and substance consistent with this term sheet and reasonably satisfactory to the Administrative Agent and its counsel.

B. The Cases shall have been commenced by the Borrower and the Guarantors and the same shall each be a debtor and a debtor in possession. All "first day orders" entered at the time of commencement of the Bankruptcy Cases shall be reasonably satisfactory in

form and substance to the Lenders.

C. The Plan Support and Lockup Agreement dated December 30, 2012 (the "*Plan Support Agreement*") shall be in full force and effect as of the Closing and shall not have been amended or modified in any manner that is materially adverse to the Administrative Agent or the Lenders or inconsistent with the DIP Loan Documents without the Administrative Agent's prior written consent.

D. The Administrative Agent shall have received a signed copy of an order of the Bankruptcy Court in substantially the form set forth as an exhibit to the DIP Loan Documents (the "*Interim Order*"), authorizing and approving the making of the DIP Loans and the granting of the superpriority claims and liens and other liens referred to above under the heading "*Security and Priority*", which Interim Order shall not have been vacated, reversed, modified, amended or stayed. The Interim Order and the Final Order shall contain provisions authorizing Adequate Protection Payments and granting customary adequate protection claims and liens with respect to the Prepetition Credit Agreement, junior to the claims and liens granted in connection with the DIP Facility as more fully described on Annex I attached hereto and shall otherwise be satisfactory in all respects to the Administrative Agent and its counsel, in their sole discretion.

E. All reasonable out-of-pocket fees and expenses (including the fees and expenses of outside counsel) required to be paid to the Administrative Agent and the Lenders on or before the Closing (limited, in the case of attorneys' fees to the reasonable out-of-pocket fees and expenses of one outside counsel to the Agent and the Lenders, taken as a whole) shall have been paid.

F. The Lenders shall be satisfied in their reasonable judgment that, except as authorized by the Interim Order, there shall not occur as a result of, and after giving effect to, the initial extension of credit under the DIP Facility, a default (or any event which with the giving of notice or lapse of time or both would be a default) under any of the Borrower's or the Guarantors' debt instruments and other material agreements which would permit the counterparty thereto to exercise remedies thereunder on a post-petition basis.

G. The Administrative Agent shall have received reasonably satisfactory opinions of counsel to the Borrower and the Guarantors, addressing such matters as the Lenders shall reasonably request, including, without limitation, the enforceability of all DIP Loan Documents and other customary matters.

H. The absence of a material adverse change, or any event or occurrence, other than the commencement of the Cases, which could reasonably be expected to result in a material adverse change, in (i) the business, condition (financial or otherwise), operations, performance, properties, contingent liabilities, material agreements or prospects of the Borrower and the Guarantors, taken as a whole, since September 30, 2012, (ii) the ability of the Borrower or the Guarantors to perform their respective material obligations under the DIP Loan Documents or (iii) the ability of the Administrative Agent and the Lenders to enforce the DIP Loan Documents (any of the foregoing being a "*Material Adverse Change*").

I. There shall exist no action, suit, investigation, litigation or proceeding pending or (to the knowledge of the Loan Parties) threatened in any court or before any arbitrator or governmental instrumentality (other than the Cases and any action, suit, investigation or proceeding arising from the commencement and continuation of the Cases or the consequences that would normally result from the commencement and continuation of the Cases) that is not stayed and could reasonably be expected to result in a Material Adverse Change (any such action, suit, investigation, litigation or proceeding, a "*Material Litigation*").

J. All necessary governmental and third party consents and approvals necessary in connection with the DIP Facility and the transactions contemplated thereby shall have been obtained (without the imposition of any materially adverse conditions that are not reasonably acceptable to the Lenders) and shall remain in effect; and no law or regulation shall be applicable in the good faith judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the DIP Facility or the transactions contemplated thereby.

K. Each Lender who has requested the same shall have received "know your customer" and similar information; provided that such information is

requested at least 3 business days prior to Closing.

L. The Lenders shall have a valid and perfected first priority lien on and security interest in the Collateral; the Loan Parties shall have delivered uniform commercial code financing statements and shall have executed and delivered intellectual property security agreements, in each case, in suitable form for filing; and provisions reasonably satisfactory to the Lenders for the payment of all fees and taxes for such filings shall have been duly made.

M. The Administrative Agent shall have received endorsements (to the extent such endorsements can be delivered prior to Closing after the exercise of commercially reasonable efforts) naming the Administrative Agent, on behalf of the Lenders, as an additional insured and loss payee, as applicable, under all insurance policies to be maintained with respect to the Collateral.

Conditions Precedent to Each Loan: On the funding date of each Delayed Draw Term Loan (i) there shall exist no default under the DIP Loan Documents, (ii) the representations and warranties of the Borrower and each Guarantor therein shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects) immediately prior to, and after giving effect to, such funding, (iii) the making of such Delayed Draw Term Loan shall not violate any requirement of law and shall not be enjoined, temporarily, preliminarily or permanently, (iv) no later than 30 days after the entry of the Interim Order, the Bankruptcy Court shall have entered an order in substantially the form of the Interim Order, with only such modifications as are satisfactory in form and substance to the Lenders (the "*Final Order*") and (v) the Interim Order or Final Order, as the case may be, shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Requisite Lenders.

Representations and Warranties: The DIP Loan Documents will contain representations and warranties customarily found in loan agreements for similar debtor in possession financings and other representations and warranties deemed by the Lenders appropriate to the specific transaction (which will be applicable to the Borrower, the Guarantors and their respective subsidiaries and subject to certain exceptions and qualifications to be agreed), including, without limitation with respect to: valid

existence, compliance with law, requisite power, due authorization, approvals, no conflict with material agreements (to the extent enforceable post-petition) or applicable law, enforceability of the DIP Loan Documents, ownership of subsidiaries, material accuracy of financial statements and all other information provided, absence of Material Adverse Change, absence of Material Litigation, taxes, margin regulations, no burdensome restrictions, no default under the DIP Loan Documents, inapplicability of Investment Company Act, use of proceeds, insurance, labor matters, ERISA, environmental matters, security interests, existing debt, liens and investments, necessary rights to intellectual property and ownership of properties. The Interim Order and Final Order shall also contain provisions, among other things, (i) acknowledging the validity and enforceability of the Prepetition Credit Agreement, the debt outstanding thereunder and the liens granted in connection therewith, and (ii) waiving Bankruptcy Code sections 506(c) and 552 as such may pertain to the claims and liens of the agent and lenders under the Prepetition Credit Agreement.

Affirmative Covenants:

The DIP Documents will contain affirmative covenants customarily found in loan agreements for similar debtor in possession financings and other affirmative covenants deemed by the Lenders to be appropriate to the specific transaction, subject to, where appropriate, materiality thresholds, carve-outs and exceptions to be agreed (which will be applicable to the Borrower, the Guarantors and their respective subsidiaries) including, without limitation, the following:

A. Preservation of corporate existence.

B. Compliance with applicable laws (including ERISA and environmental laws).

C. Conduct of business.

D. Payment of taxes.

E. Maintenance of insurance.

F. Access to books and records and visitation rights.

G. Maintenance of books and records.

H. Maintenance of properties.

I. Use of proceeds.

J. Provision of additional collateral, guarantees and mortgages.

K. Further assurances.

Negative Covenants: The DIP Loan Documents will contain negative covenants customarily found in loan agreements for similar debtor in possession financings and other negative covenants deemed by the Lenders to be appropriate to the specific transaction and where appropriate, subject to materiality thresholds, carve-outs and exceptions to be agreed (which will be applicable to the Borrower, the Guarantors and their respective subsidiaries), including, without limitation, the following:

A. Limitations on debt and guarantees.

B. Limitations on liens.

C. Limitations on loans and investments.

D. Limitations on asset dispositions, including, without limitation, the issuance and sale of capital stock of subsidiaries, with an exception for among other things transactions for total consideration of no more than an amount to be mutually agreed upon in the aggregate.

E. Limitations on dividends, redemptions and repurchases with respect to capital stock.

F. Limitations on cancellation of debt and on prepayments, redemptions and repurchases of pre-petition debt, except as expressly provided for in the definitive loan documents or pursuant to “first day” or other orders entered by the Bankruptcy Court.

G. Limitations on mergers, consolidations, acquisitions, joint ventures or creation of subsidiaries.

H. Limitations on material changes in business.

I. Limitations on transactions with affiliates.

J. Limitations on restrictions on distributions from subsidiaries and granting of negative pledges.

K. Limitations on amendment of constituent documents and material agreements, except for modifications that

could not reasonably be expected to materially and adversely affect the interests of the Lenders.

L. Limitations on changes in accounting treatment and reporting practices or the fiscal year without the Administrative Agent's consent.

M. Limitations on sale/leasebacks and operating leases.

N. Limitations on speculative transactions except for the sole purpose of hedging in the normal course of business and consistent with industry practices.

O. Anti-cash hoarding covenant.

Selected Financial Covenants: The DIP Loan Documents will contain the following financial covenant (which will be applicable to the Borrower, the Guarantors and their respective subsidiaries):[3]

Budget variance with respect to net cash flow and receipts not exceeding 15%, determined and tested on a rolling four week basis.

Reporting Requirements: The DIP Loan Documents will contain reporting requirements customarily found in loan documents for similar debtor in possession financings and other reporting requirements deemed by the Lenders appropriate to the specific transaction, including, without limitation, (i) weekly budget variance report; and (ii) weekly forecasts on a rolling 13-week basis.

Events of Default: The DIP Loan Documents will contain events of default customarily found in loan agreements for similar debtor in possession financings and other events of default deemed by the Lenders to be appropriate to the specific transaction (which will be applicable to the Borrower, the Guarantors and their respective subsidiaries), including, without limitation, the following, with, where appropriate, customary grace periods and exceptions to be determined:

A. Failure to pay principal, interest or any other amount when due.

B. Representations and warranties incorrect in any material respect when given.

[3] The financial covenants shall not be tested so long as the Plan Support Agreement has not been terminated.

C. Failure to comply with covenants (with grace period as appropriate).

D. Cross-default to payment defaults, or default or event of default if the effect is to accelerate or permit acceleration in excess of an amount to be mutually agreed upon, and cross-default to any Plan Support Agreement termination.

E. Failure to satisfy or stay execution of judgments in excess of an amount to be mutually agreed upon.

F. The occurrence of certain ERISA events that result in liabilities in excess of an amount to be mutually agreed upon.

G. Actual or asserted (by any Loan Party or any affiliate thereof) invalidity or impairment of any DIP Loan Document (including the failure of any lien to remain perfected).

H. Change of ownership or control (to be defined).

I. (a) The entry of an order dismissing any of the Cases or converting any of the Cases to a case under chapter 7 of the Bankruptcy Code,

(b) the entry of an order appointing a chapter 11 trustee in any of the Cases;

(c) the entry of an order staying, reversing, vacating or otherwise modifying, in each case in a manner materially adverse to the Administrative Agent or the Lenders or inconsistent with the DIP Loan Documents, without the prior consent of the Requisite Lenders, the DIP Facility, the Interim Order or the Final Order;

(d) the entry of an order in any of the Cases appointing an examiner having expanded powers (beyond those set forth under sections 1106(a)(3) and (4) of the Bankruptcy Code);

(e) the entry of an order in any of the Cases denying or terminating use of cash collateral by the Loan Parties;

(f) the filing of any pleading by any Loan Party seeking, or otherwise consenting to, any of the matters set forth in clauses (a) through (e) above;

(g) the Bankruptcy Court shall terminate or reduce the period pursuant to Section 1121 of the Bankruptcy Code

during which the Loan Parties have the exclusive right to file a plan of reorganization and solicit acceptances thereof;

(h) the entry of the Final Order shall not have occurred within 30 days after entry of the Interim Order;

(i) the entry of a final non-appealable order in the Cases charging any of the Collateral under section 506(c) of the Bankruptcy Code against the Lenders or the commencement of other actions that is materially adverse to the Administrative Agent, the Lenders or their respective rights and remedies under the DIP Facility in any of the Cases or inconsistent with the DIP Loan Documents;

(j) the entry of an order granting relief from any stay of proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed against any material assets of the Loan Parties in excess of an amount to be mutually agreed upon in the aggregate;

(k) existence of any claims or charges, other than in respect of the DIP Facility or as otherwise permitted under the DIP Loan Documents, entitled to superpriority under Section 364(c)(1) of the Bankruptcy Code *pari passu* or senior to the DIP Facility;

(l) the Loan Parties or any of their subsidiaries, or any person claiming by or through the Loan Parties any of their subsidiaries, shall obtain court authorization to commence, or shall commence, join in, assist or otherwise participate as an adverse party in any suit or other proceeding against the Administrative Agent or any of the Lenders relating to the DIP Facility, unless (i) such suit or other proceeding is in connection with the enforcement of the DIP Loan Documents against the Administrative Agent or Lenders or (ii) such suit or other proceeding is stayed pursuant to section 362 of the Bankruptcy Code or an order of the Bankruptcy Court and is released upon the "effective date" of the plan of reorganization, as defined therein, and the order confirming such plan of reorganization provides that any such suit or proceeding shall be dismissed with prejudice;

(m) after the order confirming the a plan of reorganization (the "*Confirmation Order*") shall have been entered by the Bankruptcy Court, any Loan Party shall fail to satisfy in full all obligations under the DIP Facility on the effective date of the such plan of reorganization or fail to comply in any material respect with the Confirmation Order, or the

Confirmation Order shall have been revoked, remanded, vacated, reversed, rescinded or modified or amended in any manner that is adverse to the Administrative Agent's or the Lenders' interests or inconsistent with the DIP Loan Documents; or

(n) the commencement of any adversary proceeding, contested matter or other action by any Loan Party or any other party either asserting any claims and defenses or otherwise against any of the agent or the lenders under the Prepetition Credit Agreement with respect to the obligations of any Loan Party thereunder or the liens granted to such agent to secure the obligations under the Prepetition Credit Agreement, except as may be permitted under the Interim Order or Final Order.

Expenses and Indemnification: The Borrower will indemnify the Administrative Agent, the Lenders, their respective affiliates, successors and assigns and the officers, directors, employees, agents, advisors, controlling persons and members of each of the foregoing (each, an "*Indemnified Person*") and hold them harmless from and against all costs, expenses (including reasonable and documented fees, disbursements and other charges of outside counsel) and liabilities of such Indemnified Person arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such Indemnified Person is a party thereto and regardless of whether such matter is initiated by a third party or by the Borrower or any of its affiliates) that relates to the DIP Facility or the transactions contemplated thereby; *provided* that no Indemnified Person will be indemnified for any cost, expense or liability to the extent determined in the final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from its gross negligence or willful misconduct. In addition, (a) all out-of-pocket expenses (including, without limitation, reasonable and documented fees, disbursements and other charges of outside counsel) of the Administrative Agent in connection with the DIP Facility and the transactions contemplated thereby shall be paid by the Borrower from time to time, whether or not the Closing occurs, and (b) all out-of-pocket expenses (including, without limitation, documented fees, disbursements and other charges of outside counsel) of the Administrative Agent and the Lenders, for enforcement costs and documentary taxes associated with the DIP Facility and the transactions contemplated thereby will be paid by the Borrower.

Assignments and Participations:	Assignments are subject to the consent of the Administrative Agent and, unless a Default or Event of Default has occurred and is continuing under the DIP Credit Agreement, the Borrower (which shall not be unreasonably withheld or delayed). No participation shall include voting rights, other than for matters requiring consent of 100% of the Lenders.
Requisite Lenders:	Lenders holding at least 50.1% of the outstanding commitments and/or exposure under the DIP Facility (the "*Requisite Lenders*").
Amendments:	Requisite Lenders, except for provisions customarily requiring approval by affected Lenders.
Miscellaneous:	The DIP Loan Documents will include (i) standard yield protection provisions (including, without limitation, provisions relating to compliance with risk-based capital guidelines, increased costs and payments free and clear of withholding taxes (subject to customary qualifications)), (ii) waivers of consequential damages and jury trial, and (iii) customary agency, set-off and sharing language.
Governing Law and Submission to Non-Exclusive Jurisdiction:	State of New York.
Counsel to Administrative Agent:	Akin Gump Strauss Hauer & Feld LLP.

ANNEX I

Prepetition Lenders:	The lenders (the "*Prepetition Lenders*") under that Prepetition Credit Agreement, by and among the Borrower, the Prepetition Lenders and Gleacher Products Corp., as administrative agent (in such capacity, the "*Prepetition Agent*")
Usage of Cash Collateral:	The Prepetition Agent and the Consenting Lenders (as that term is defined in the Plan Support Agreement), will agree to the Loan Parties' usage of cash, cash equivalents, negotiable instruments, investment property and securities in deposit accounts, wherever located, which collectively constitute the cash collateral (the "*Cash Collateral*") of the Prepetition Agent and the Prepetition Lenders (the "*Adequate Protection Parties*") subject to (i) the Budget and (ii) the terms and conditions set forth herein and in the Interim Order and the Final Order
Debtors' Stipulations:	The Loan Parties will make customary stipulations as to the validity of the obligations owed and liens and security interests granted under the Loan Documents (as defined in the Prepetition Credit Agreement) (the "*Prepetition Obligations*")
Prepetition Lender Adequate Protection:	The Adequate Protection Parties will receive: (i) subject only to the Carve-Out and the liens securing the obligations under the DIP Facility, valid, enforceable, nonavoidable and fully perfected postpetition security interests in and liens on any and all prepetition and postpetition property, assets and interests in property and assets of the Debtors and all property of the Debtors' estate (the "*Adequate Protection Liens*"); (ii) solely to the extent of any diminution in value of their collateral, administrative expense claims under section 507(b) of the Bankruptcy Code (the "*Superpriority Claims*"); (iii) the current cash payment of fees and expenses of professionals retained by the Prepetition Agent, including such amounts arising before and after the Petition Date and without the necessity of filing motions or fee applications, which professionals shall include (a) Akin Gump Strauss Hauer & Feld LLP as counsel to the Prepetition Agent and (b) CDG Group Inc. as financial advisor to the Prepetition Agent (collectively the "*Prepetition Agent Professionals*"); (iv) accrual of post-petition interest at the default rate and (v) financial and other reporting requirements customarily found in loan documents for debtor in possession financings
Sections 506(c) and 552:	The Adequate Protection Parties will receive (i) a waiver of any "equities of the case" claims under Section 552(b) of the Bankruptcy Code and (ii) a waiver of the provisions of Section 506(c) of the Bankruptcy Code
Investigation Limitation:	Customary provisions limiting the amount of Cash Collateral that may be utilized by any official creditors' committee to investigate the liens and claims in respect of the Prepetition Obligations up to $25,000 in the aggregate. Investigation period to be limited to 60 days from the date of the order approving counsel to an official creditors' committee or 60 days after entry of the Final Order

EXHIBIT D

FINANCIAL PROJECTIONS

SECTION 1 – BALANCE SHEET OF REORGANIZED LODGENET INTERACTIVE

LodgeNet Interactive Corporation and Subsidiaries
PRO FORMA Consolidated Balance Sheets (Unaudited)
(Dollar amounts in thousands, except share data)

	March 31, 2013	
Assets		
Current assets:		
Cash	$ 40,203	(a)
Accounts receivable, net	33,026	(b)
Other current assets	15,000	(c)
Total current assets	88,229	
Property and equipment, net	100,000	(d)
Intangible assets, net	175,000	(e)
Reorganization value in excess of identifiable assets	134,605	(f)
Other assets	8,000	(g)
Total assets	$ 505,834	
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 15,880	(h)
Accrued & other current liabilities	7,980	(i)
Notes Payable	30,000	(j)
Current maturities of long-term debt	3,580	(k)
Accrued expenses	10,000	(l)
Deferred revenue	18,000	(m)
Total current liabilities	85,440	
Long-term debt	354,394	(n)
Other long-term liabilities	3,000	(o)
Total liabilities	442,834	
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	-	
Common stock	60	(p)
Additional paid-in capital	59,940	(q)
Retained earnings	-	
Accumulated other comprehensive income	3,000	(r)
Total stockholders' equity	63,000	
Total liabilities and stockholders' equity	$ 505,834	

Notes:

(a) Projected cash balance at March 31 of approximately $6 million plus $60 million cash investment from the Colony consortium of investors less (i) prepetition accounts payable net of $30 million owed to DIRECTV, (ii) estimated professional fees through exit, (iii) remaining KEIP/KERP payments

(b) Projected accounts receivable are estimated based on historical collection experiences and include foreign receivables

(c) Estimate of prepaid insurance, expenses, inventory/work in progress, projects costs

(d) Estimated property and equipment based on expected December 31, 2012 balance less depreciation & amortization, plus forecasted capital expenditures through March 31, 2013

(e) Estimated fair value of intangibles including customers, contracts, and other assets.

(f) Excess of the sum of liabilities and stockholders' equity over book value of the assets

(g) Estimate of deferred tax asset, long term investments, intellectual property and other long term receivables

(h) Forecast of post-petition accounts payable at emergence are estimated based on contractual or specified payment terms extended by the Debtor's vendors

(i) Estimated contingent and priority/employment claims

(j) Estimated allowable prepetition amount owed to DIRECTV under the Colony Memorandum of Understanding with DIRECTV

(k) Estimated based on 1% of $358 million plus outstanding borrowings under the $20 million exit facility. The exit facility is not expected to be drawn at emergence

(l) Estimate of accrued payroll, taxes and other expenses

(m) Estimate based on current sales volumes of free to guest services

(n) Long term portion of $358 million facility including accrued interest through the first quarter of 2013

(o) Estimate of deferred revenue, vehicle lease liabilities and other long term commitments

(p) Common stock (at par) component of $60 million investment from Colony and other investors

(q) Additional paid-in capital component of $60 million investment from Colony and other investors

(r) Foreign currency translation adjustment

SECTION 2 – PROJECTED STATEMENTS

Selected Income Statement, Cash Flow and Balance Sheet Items ***($ in millions)***

	Apr-Dec 2013	2014	2015	2016	2017
Guest Entertainment	$132	$189	$203	$215	$228
Advertising	9	18	31	46	59
Other Revenue	144	193	193	203	208
Total Revenue	**$285**	**$400**	**$426**	**$464**	**$495**
Revenue Growth %			*7%*	*9%*	*7%*
Total Direct Costs	(179)	(247)	(257)	(275)	(290)
Gross Profit	**$106**	**$153**	**$169**	**$189**	**$206**
Systems Operations	($24)	($32)	($33)	($34)	($38)
SG&A	(32)	(47)	(50)	(52)	(52)
Adjusted Operating Cash Flow	**$51**	**$74**	**$87**	**$103**	**$116**
AOCF Margin %	*18%*	*18%*	*20%*	*22%*	*23%*
Capital Expenditure	($20)	($15)	($10)	($10)	($10)
Restructuring Costs	(12)	(10)	(5)		
DTV Payment Plan[4]	(19)	(12)			
Adjusted Unlevered Free Cash Flow	**($1)**	**$37**	**$72**	**$93**	**$106**
Revolver Balance	---	---	---	---	---
Term Loan Balance[5]	$355	$352	$348	$345	$341
Total Debt	$355	$352	$348	$345	$341

Notes:

(a) Guest Entertainment Revenue. This category includes revenues related to on-demand entertainment such as movies, television on-demand, music and games.

[4] Represents an estimated $30 million of pre-petition accounts payable owed to DIRECTV, which in accordance with the MOU are to be repaid in five equal quarterly payments commencing 90 days after consummation of the Colony Transaction. Balance includes an interest rate of 5.0% per annum and excludes any offset of accounts receivable owed from DIRECTV.

[5] Excludes any mandatory prepayment of term loan from 50% of Excess Cash Flow, as defined in the Debt Restructuring Term Sheet.

(b) Advertising Revenue. This category includes revenues from ad insertion as part of the Debtors' plan to build out its advertising network.

(c) Other Revenue. This category includes revenues from free-to-guest, system sales, healthcare and broadband activities.

(d) Direct Costs. This category includes costs associated with the royalties paid to studios, commissions paid to hotels, licensing fees, internet connectivity and commissions paid to third-party vendors.

(e) System Operations. This category includes costs directly related to the operation and maintenance of systems at hotel sites. The Debtors expect to bring these expenses down to 8% of revenue, on average.

(f) SG&A. This category includes costs primarily include payroll costs, share-based compensation, engineering development costs and legal, marketing, professional and compliance costs. The Debtors expect to bring these expenses down to 11% of revenue, on average.

(g) Capital Expenditures. Capital expenditures are comprised primarily of maintenance capital expenditure associated with the Debtors relocating and operating its corporate headquarters on the West coast. As a result of the new satellite deal, the Debtors do not expect capital expenditure subsidies post-2013.

(h) Restructuring Costs. Restructuring costs include relocation and acquisition costs associated with the go-forward business and its transition of personnel.

EXHIBIT E

LIQUIDATION ANALYSIS

Pursuant to Section 1129(a)(7) of the Bankruptcy Code each holder of an impaired Claim or Interest either (a) accepts the Plan of reorganization or (b) receives or retains under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on the Effective Date.

The purpose of the Liquidation Analysis that follows is to provide information in order for the Bankruptcy Court to determine that the Plan satisfies this requirement. The Liquidation Analysis was prepared to assist the Bankruptcy Court in making this determination and should not be used for any other purpose. The first step in meeting this test is to determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of a chapter 7 liquidation case. The gross amount of Cash available would be the sum of the proceeds from the disposition of the Debtors' assets and the Cash held by the Debtors at the time of the commencement of the chapter 7 case. The next step, however, is to reduce that total by the amount of any claims secured by such assets, the costs and expenses of the liquidation, and such additional administrative expenses and priority claims that may result from the termination of the Debtors' business and the use of chapter 7 for the purposes of liquidation. Any remaining net Cash would be allocated to creditors and shareholders in strict priority in accordance with section 726 of the Bankruptcy Code (see discussion below). Finally, the present value of such allocations (taking into account the time necessary to accomplish the liquidation) is compared to the value of the property that is proposed to be distributed under the Plan on the Effective Date.

The Debtors' costs of liquidation under chapter 7 would include the fees payable to a chapter 7 trustee in bankruptcy, as well as those that might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtors during the chapter 11 cases and allowed in the chapter 7 cases, such as compensation for attorneys, financial advisors, appraisers, accountants and other professionals. Moreover, additional Claims would arise by reason of the breach or rejection of obligations incurred and executory contracts or leases entered into by the Debtors both prior to, and during the pendency of, the Chapter 11 Cases.

The foregoing types of Claims, costs, expenses, fees and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay pre-chapter 11 priority and unsecured claims. Under the absolute priority rule, no junior creditor would receive any distribution until all senior creditors are paid in full, with interest, and no equity holder receives any distribution until all creditors are paid in full, with interest.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in a chapter 11 case, including (i) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a

trustee in bankruptcy and professional advisors to such trustee, (ii) the erosion in value of assets in a chapter 7 case in the context of the expeditious liquidation required under chapter 7 and the "forced sale" atmosphere that would prevail, and (iii) the difficulty in being able to sell individual businesses or components of businesses given that most LodgeNet businesses depend on the integrated Debtors for functions such as product development, intellectual property, and contracts entered with different vendors, the Debtors have determined that confirmation of the Plan will provide each creditor and equity holder with a recovery that is not less than it would receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

The Debtors' liquidation analysis is an estimate of the proceeds that may be generated as a result of a hypothetical chapter 7 liquidation of the assets of the Debtors. The analysis is based upon a number of significant assumptions which are described. The liquidation analysis does not purport to be a valuation of the Debtors' assets and is not necessarily indicative of the values that may be realized in an actual liquidation.

The following presents the general assumptions that were used in preparing the Liquidation Analysis assuming a chapter 7 case in which a chapter 7 trustee is charged with reducing to cash any and all assets of the Debtors and making distributions to the holders of Allowed Claims and Equity Interests in accordance with the distributive provisions of section 726 of the Bankruptcy Code.

The Liquidation Analysis is limited to presenting information provided by management and does not include an independent evaluation of the underlying assumptions. The Liquidation Analysis has not been examined or reviewed by independent accountants in accordance with standards promulgated by the American Institute of Certified Public Accountants. The estimates and assumptions, although considered reasonable by management, are inherently subject to significant uncertainties and contingencies beyond the control of management. Accordingly, there can be no assurance that the results shown would be realized if the Debtors were liquidated, and actual results in such case could vary materially from those presented. If actual results are different from those shown, or if the assumptions used in formulating the Liquidation Analysis were not realized, then distributions to and recoveries by holders of Allowed Claims and Equity Interests would be materially affected.

In addition, the actual amounts of Claims against the Debtors' estates could vary significantly from estimated amounts depending upon the Claims asserted during the pendency of the chapter 7 case, by reason of, among other things, the breach or rejection of executory contracts and leases. The Liquidation Analysis does not include liabilities that may arise as a result of litigation, certain contingent or new tax assessments, or other potential Claims. The Liquidation Analysis also does not include recoveries from potential avoidance actions. For the foregoing reasons and others, the Liquidation Analysis is not necessarily indicative of the amounts that may be realized in an actual liquidation, which amounts could vary materially from the estimates provided herein.

The Liquidation Analysis, which was prepared by the Debtors in consultation with their financial and legal advisers, is based upon a number of estimates and assumptions that, although developed and considered reasonable by management, are inherently subject to

significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and management. The Liquidation Analysis is based upon assumptions with regard to liquidation decisions that would be made by the trustee (not management) and that are subject to change. Accordingly, there can be no assurance that the amounts reflected in the Liquidation Analysis would be realized by the Debtors were they, in fact, to undergo such a liquidation.

General Assumptions

(1) The Liquidation Analysis is based upon an estimate of the proceeds that may be realized by the Debtors in the event that the Debtors' assets are liquidated under chapter 7 of the Bankruptcy Code. The Liquidation Analysis is based upon a balance sheet as of October 31, 2012 and upon projections for certain current assets (i.e., Cash & Cash Equivalent and Account Receivable) and certain claims (i.e., net prepetition Account Payables) based on projections developed by the Debtors during December 2012. Management of the Debtors does not believe at this time that future projected information on other assets or liabilities would vary significantly. However, this analysis is subject to change as a result of any changes to the Debtors' planned operating activities.

(2) The chapter 7 liquidation period is assumed to be 8 to 12 months following the appointment or election of a chapter 7 trustee. The collection of receivables and the marketing and sale of property, plant and equipment are assumed to be completed by the end of the third month. It is assumed that services would be provided to the Debtors' customers only during the first 30 days during the liquidation period and the wind-down of business operations of the Debtors will occur during the two months after all service to customers is discontinued. The wind-down costs have been estimated by the Debtors' management and any deviation from this assumed period could have a material impact on the wind-down costs, the amount of administrative claims, proceeds from asset sales and the ultimate recovery to the creditors of the Debtors' estates.

(3) All distributions will be made as and when proceeds from the disposition of assets and collection of receivables are received; however, the projected recoveries have not been discounted to reflect the present value of any distributions.

(4) Management believes that it is unlikely that material taxable gains would be triggered through a liquidation of the Debtors' assets. However, if for some reason there were to be a taxable gain from the liquidation of the Debtors' assets, the Debtors believe that any realized gains could be offset by the Debtors' current pretax losses and/or net operating loss carry forwards with minimal tax liability resulting.

(5) The Debtors' Canadian subsidiary has current assets and net Property and Equipment that account for less than 6% of the Debtors' consolidated current assets and of the consolidated net Property and Equipment. Management believes that any potential recovery from the liquidation of the Canadian subsidiary would be consumed in the wind down of that entity. For ease of analysis and conservatism, the Liquidation Analysis assumes that the recovery from the liquidation assets of the Canadian subsidiary is no less than the recovery from the liquidation of the US assets.

(6) The Debtors' Mexican branch of operations has current assets and net Property and Equipment that account for less than 3% of the Debtors' consolidated current assets and of the consolidated net Property and Equipment. Management believes that any potential recovery from the liquidation of the Mexican operations would be consumed in the wind down of those operations. For ease of analysis and conservatism, the Liquidation Analysis assumes that the recovery from the liquidation assets of the Mexican operations is no less than the recovery from the liquidation of the US assets.

(7) The values reflected in the Liquidation Analysis are based on the assumption that the chapter 7 trustee pursue a liquidation strategy and, if possible, distressed sales under chapter 7 of the Bankruptcy Code. As a result, the values reflected in the Liquidation Analysis are not indicative of the values that might be received were the chapter 7 trustee to sell any of their businesses as going concerns in a formal business sale transaction.

Notes to Liquidation Analysis

The notes below identify and describe the significant assumptions that are incorporated in the Liquidation Analysis:

(1) The Debtors' projected Cash and Cash Equivalents upon discontinuance of service is approximately $8.0 million. In liquidation, the estimated recovery on the balance of Cash and Cash Equivalents is 100%.

(2) The Debtors' accounts receivable are primarily amounts owed by their customers. The Debtors' management believes that liquidation would have a significant impact on collections of accounts receivables as hotels will be forced to make investments to procure alternative providers of services. An estimated recovery percentage has been assigned to each category of receivable. The Debtor' management further assumes that the doubtful accounts are not collectable.

(3) Deferred Tax Assets (both the current and the Long term portions) include the estimated realization of the Debtors' Canadian subsidiary Net Operating Losses and management considers that these are not recoverable in a Chapter 7 liquidation.

(4) Other Current assets consist primarily of certain current assets such as (i) professional services already paid to estate professionals, (ii) prepaid expenses (e.g., prepaid insurance, royalties, and service and maintenance agreements) as well as inventories of electronic equipment and supplies at warehouse and field locations. Management has assigned each category of assets in this group its own estimated recovery target range. As a note, professional retainers paid are being used in this Liquidation Analysis to offset Chapter 11 professional expenses.

(5) Property and Equipment consist primarily of Land, Building, and Equipment & Computers. Management has gone through each category of fixed assets in this group: (i) Land, building & Improvements, (ii) Vehicles, Furniture and Fixtures, and (iii) equipment and computers and assigned an estimated recovery to each category. The estimate for the sale of the Sioux Falls building and land has been developed taking into consideration prior marketing efforts. In addition, an estimated recovery percentage

has been assigned to each category of fixed assets. These estimates have been made taking into consideration the depreciation recorded for each category within this group as well as the fact that the equipment is distributed in over 7,000 hotels and over 1.4 million rooms, making it in many cases impractical to recover for liquidation purposes.

(6) The Debtors' assets also include approximately $105 million in Other Long Term Assets that primarily include intangible assets (including customers, studio relations, trade names and patents), and goodwill (representing the excess of cost over the fair value of the net assets acquired in connection with the acquisitions of StayOnline, On Command, and The Hotel Networks). The Debtors' management believes that liquidation of the assets in this group would yield very limited recovery potential, if any.

(7) The Debtors' management believes that the sale of the HealthCare business in a forced liquidation is complicated by the fact that the HealthCare business is dependent on corporate product development, intellectual property and field service arrangements.. The dependency of the HealthCare business on government contracts and the additional costs, requirements and other risks that may be associated with a potential buyer assuming these contracts further complicates a sale of the business. For the purposes of the Liquidation Analysis management assumes that the Trustee and a potential buyer negotiate appropriate mechanisms to enable a divestiture transaction resulting in a net recovery estimated in the range of $5 million to $20 million.

(8) The proceeds of a potential liquidation and sale of the Broadband Unit are consistent with prior M&A discussions for the Unit and provide an upper range of $3 million in a distressed sale.

(9) Wind-down expenses include operating costs and expenses associated with providing 30 days of service to customers before the final discontinuance of their service and the liquidation of assets thereafter. These expenses include certain employee salaries, benefits and retention payments, building occupancy costs, legal and professional services, and insurance costs. These expenses are considered in the cash flow projections that set the adjusted cash balance as of the date of filing of the liquidation proceeding. Revenue collections for services provided during the last 30 days of service are included in the value of the adjusted accounts receivable.

(10) In addition, the Debtors will incur wind-down expenses throughout an 8 to 12 month liquidation period following the filing of the Liquidation proceeding, as and when proceeds from the disposition of assets and collection of receivables occur. No interest income is assumed to be earned on the net liquidation proceeds.

(11) It is presumed administrative and priority claims will, in practice, be paid prior to payment on secured claims.

(12) Administrative Claims consist of payments to vendors for goods and services provided to the Debtor during the bankruptcy cases.

(13) Trustee fees are projected to be approximately 3% of gross liquidation proceeds in accordance with section 326 of the Bankruptcy Code.

(14) Professional fees represent the costs of a chapter 7 case for attorneys, accountants, appraisers and other professionals retained by the chapter 7 trustee as well as the remainder of the chapter 11 professional fees (offset by the estimated outstanding retainers). Fee estimates were based upon management's review of the nature of these costs.

(15) Secured Claims consist of the estimated value of the total outstanding principal of the Prepetition Credit Facility plus the estimated pre-petition unpaid interest and estimated post-petition unpaid interest during the Chapter 11 Cases. No interest is assumed to accrue during the Chapter 7 liquidation.

(16) Estimates for the Unsecured claims are based on (i) the net estimated prepetition Accounts Payable as of the commencement of the Chapter 11 Cases, (ii) the success fees agreed to by the Debtors with the professionals in connection with the current restructuring, (iii) the estimated KEIP and KERP payments, (iv) the current estimate of rejection damages for unexpired leases, (v) the current estimate of rejection damage for executory contracts, and (vi) the current estimate of contingent claims and of non-priority employment claims

LodgeNet Liquidation Analysis

I. STATEMENT OF ASSETS

	Adjusted Net	Hypothetical Recovery Percentage		Estimated Liquidated Value (Unaudited)	
Assets	Asset Value	Low	High	Low	High
Current Assets:					
Cash & Cash Equivalents	7,978,742	100%	100%	7,978,742	7,978,742
Accounts Receivable	31,589,182	50%	75%	15,794,591	23,691,887
Allowance for Doubtful Accounts	(389,013)	100%	100%	(389,013)	(389,013)
Deferred Tax Asset - Current	567,548	0%	0%	-	-
Other Current Assets	14,259,660	2%	5%	291,318	768,150
Total Current Assets	**54,006,120**	**44%**	**59%**	**23,675,638**	**32,049,766**
Traditional Assets - Clearing Acct	94,474	15%	30%	14,171	28,342
Land, Bldg & Improvements	10,610,067	71%	89%	7,579,741	9,474,676
Vehicles, Furniture & Fixtures	830,001	7%	15%	60,823	121,645
Equipment & Computers	5,166,829	15%	30%	775,024	1,550,049
Property Assets	67,967,514	5%	25%	3,396,725	16,983,626
System Components	9,172,383	20%	50%	1,825,303	4,563,256
Product Development Assets	12,116,123	0%	10%	-	1,211,612
Accumulated Depreciation	-			-	-
Property & Equipment	105,957,392	13%	32%	13,651,787	33,933,206
Intercompany Receivables (Payable)	(2)	100%	100%	(2)	(2)
Debt Issuance Costs, Net	1,787,992	0%	0%	-	-
Investment in Subsidiaries	2,865,790	5%	5%	142,030	142,030
Deferred Tax Asset	2,510,095	0%	0%	-	-
Other Assets, Net	6,504,157	0%	0%	-	-
Software Development Assets, Net	915,083	0%	10%	-	91,508
Intangible Assets, Net	84,474,007	0%	0%	44,844	358,752
Goodwill	7,466,333	0%	0%	-	-
Total Other Assets	106,523,455	0%	1%	186,872	592,288
Total Long Term Assets	**212,480,847**	**7%**	**16%**	**13,838,658**	**34,525,494**
Total Assets	**266,486,966**	**14%**	**25%**	**37,514,296**	**66,575,260**
Sale of Broadband				-	3,000,000
Sale of Healthcare				5,000,000	20,000,000
Gross Estimated Proceeds Available for Distribution				**42,514,296**	**89,575,260**
Less:					
Wind-Down Expenses				(6,792,891)	(7,831,691)
Operating Costs & Expenses				(100,000)	(180,000)
Net Proceeds Available for Distribution				**35,621,405**	**81,563,569**

II. DISTRIBUTION OF PROCEEDS

		Hypothetical Recovery Percentage		Estimated Liquidated Value (Unaudited)	
	Claim Value	Low	High	Low	High
Administrative and Priority Claims:					
Administrative Claims				13,695,109	13,695,109
Property taxes, interest and estimated penalties owed				500,000	500,000
Estimated Priority Employee Claims				1,200,000	1,500,000
Professional Fees (Chapter 11)				262,720	262,720
Professional Fees (Chapter 7)				2,800,000	6,000,000
Trustee Fees				1,275,429	2,687,258
DIP Superpriority Balance and Fees				620,192	620,192
Total Administrative and Priority Claims				**20,353,450**	**25,265,279**
Proceeds Available for Payment of Secured & Unsecured Claims				**15,267,955**	**56,298,290**
Secured Claims:					
Total Outstanding Debt at End 3Q12	346,406,542	4%	16%	14,673,319	54,105,658
Total Pre-Petition Unpaid Interest	10,101,923	4%	16%	427,904	1,577,832
Total Post-Petition PIKed Interest	3,936,204	4%	16%	166,732	614,800
Total Secured Claims	**360,444,669**	**4%**	**16%**	**15,267,955**	**56,298,290**
Proceeds Available for Payment of Unsecured Claims				-	-
Unsecured Claims:					
Net Pre-Petition AP	48,127,360	0%	0%	-	-
Chapter 11 Professional Success Fees	3,975,000	0%	0%	-	-
Employee Incentive (exit amount)	1,886,894	0%	0%	-	-
Lease Rejection Damage Estimate	1,600,000	0%	0%	-	-
Contract Rejection Demages Estimate	150,000,000	0%	0%	-	-
Contingent Claims	4,808,372	0%	0%	-	-
Non Priority Employment Claims	4,000,000	0%	0%	-	-
Total Unsecured Claims	**214,397,626**	**0%**	**0%**	-	-

EXHIBIT F

ORGANIZATION CHART