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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	Case No. 10-30696 (DOT)
)	Jointly Administered
MOVIE GALLERY, INC., et al., ¹)	Chapter 11
)	
Debtors.)	
)	

**FINAL ORDER (A) AUTHORIZING THE USE OF CASH COLLATERAL, (B)
GRANTING ADEQUATE PROTECTION TO CERTAIN PRE-PETITION SECURED
PARTIES, AND (C) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”) of the above-captioned debtors (collectively, the “Debtors,” and each individually, a “Debtor”) in these chapter 11 cases (the “Cases”) pursuant to sections 105, 361, 362, 363(c)(2), 364(e) and 552 of the Bankruptcy Code, and Bankruptcy Rules 2002, 4001 and 9014, seeking, among other things:

¹ The Debtors in the cases are Movie Gallery, Inc.; Hollywood Entertainment Corporation; Movie Gallery US, LLC; MG Real Estate, LLC; and HEC Real Estate, LLC.



(a) authorization for the Debtors to use the Cash Collateral (as defined below) of the Prepetition Secured Parties (as defined below) but solely on the terms and conditions contained in this Final Order (as defined below);

(b) the granting of adequate protection to the Prepetition Secured Parties;

(c) pursuant to Bankruptcy Rule 4001, that an interim hearing (the “Interim Hearing”) on the Motion be held before this Court on February 3, 2010 to consider entry of an interim order authorizing the use of Cash Collateral and granting adequate protection to the Prepetition Secured Parties (the “Interim Order”); and

(d) that this Court schedule a final hearing (the “Final Hearing”) to consider entry of a final order authorizing the use of Cash Collateral and granting adequate protection to the Prepetition Secured Parties, on terms and conditions consistent with this Final Order (the “Final Order”);

Due and appropriate notice of the Motion, the relief requested therein and the Final Hearing having been served by the Debtors on the (a) the Office of the United States Trustee for Eastern District of Virginia; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) Deutsche Bank Trust Company Americas, the first lien collateral agent and McCarter & English, LLP as its counsel; (d) Wilmington Trust Company, the first lien administrative agent; (e) Wachovia Bank, National Association, as first lien Synthetic LC Agent and Synthetic LC Issuing Bank and Otterbourg, Steindler, Houston & Rosen, P.C. as its counsel; (f) Brown Rudnick LLP, counsel to certain holders of pre-petition first lien term debt (g) Wells Fargo Bank, N.A., the second lien administrative agent and collateral agent; (h) The Bank of New York as administrative agent for pre-petition revolver and Haynes and Boone, LLP as its counsel; (i) Deutsche Bank Trust

Company Americas, the joint collateral agent for pre-petition revolver and McCarter & English, LLP as its counsel; (j) Sopris Partners Series A of Sopris Capital Partners, LP, arranger of the pre-petition revolver, and O'Melveny & Myers, LLP as its counsel; (k) the Internal Revenue Service; (l) the banks that process disbursements in the Debtors' cash management system (Bank of America, Canadian Imperial Bank of Commerce and Wachovia Bank); and (m) the Core Group and the 2002 List, as such terms are defined in that certain Order Establishing Certain Notice, Case Management and Administrative procedures [Docket No. 188] entered by the Court on February 8, 2010;

The following objections to the relief requested in the Motion having been filed (collectively, the "Objections"):

Limited Objection to Motion of the Debtors and Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364(e) and 552 and Fed. R. Bankr. P. 2002, 4001, and 9014 (A) Authorizing the Use of Cash Collateral, (B) Granting Adequate Protection to Certain Pre-Petition Secured Parties, (C) Granting Related Relief, (D) Scheduling an Interim Hearing and (E) Scheduling a Final Hearing filed by Chesapeake Square Associates, LLC, Surry Plaza Associates, LLC, Tri-County Associates, LLC, Bluefield (Ridgeview) WMS, LLC and Princeton (East River) WMS, LLC on February 18, 2010 (Docket No. 309);

Joinder and Limited Objection of Sywest Development, Passco Real Estate Enterprises, and the Macerich Company to the Motion of the Debtors and Final Order Pursuant to 11 U.S.C. § 105, 361, 362, 363, 364(e) and 552 and Fed. R. Bankr. P. 2002, 4001, and 9014 (A) Authorizing the Use of Cash Collateral, (B) Granting Adequate Protection to Certain Pre-Petition Secured Parties, (C) Granting Related Relief, (D) Scheduling an Interim Hearing and (E) Scheduling a Final Hearing filed on February 19, 2010 (Docket No. 319);

Objection of Developers Diversified Realty Corporation, Weingarten Realty Investors, Regency Centers, LP, and Jones Lang Lasalle Americas, Inc. to Motion of the Debtors for Interim and Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364(e) and 552 and Fed. R. Bankr. P. 2002, 4001, and 9014 (A) Authorizing the Use of Cash Collateral, (B) Granting Adequate Protection to Certain Pre-Petition Secured Parties, (C) Granting Related Relief, (D) Scheduling an Interim Hearing and (E) Scheduling a Final Hearing filed on February 19, 2010 (Docket No. 322); and

Objection of the Official Committee of Unsecured Creditors to Motion of the Debtors for Interim and Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364(e) and 552 and Fed. R. Bankr. P. 2002, 4001, and 9014 (A) Authorizing the Use of Cash Collateral, (B) Granting Adequate Protection to Certain Pre-Petition Secured Parties, (C) Granting Related Relief, (D) Scheduling an Interim Hearing and (E) Scheduling a Final Hearing filed on February 19, 2010 (Docket No. 336);

Limited Objection and Reservation of Rights to Interim Order (A) Authorizing the Use of Cash Collateral, (B) Granting Adequate Protection to Certain Pre-Petition Secured Parties, (C) Granting Related Relief, (D) Scheduling an Interim Hearing and (E) Scheduling a Final Hearing filed by Deutsche Bank Trust Company Americas on February 19, 2010 (Docket No. 343);

All Objections having been withdrawn, resolved, or overruled by the Court, except as otherwise provided herein;

The Court having taken judicial notice of all prior proceedings before this Court involving the Debtors;

The Interim Hearing having been held on February 3, 2010, the Interim Order having been entered, pursuant to which the Debtor was authorized to use Cash Collateral on an interim basis, and the Final Hearing having been held on February 22, 2010, upon all of the pleadings filed with the Court and upon the record of the Interim Hearing and the record of the Final Hearing, and after due deliberation and consideration and sufficient cause appearing therefor,

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. Jurisdiction and Venue. The Cases were commenced on February 2, 2010 (the “Petition Date”). This Court has subject-matter jurisdiction over the Cases, the Motion and the parties and property affected hereby pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. Notice. Under the circumstances, the notice given by the Debtors of the Motion and the Final Hearing constitutes due and sufficient notice thereof and complies with Bankruptcy Rule 4001(b) and Local Bankruptcy Rule 4001-2.

3. Prepetition Credit Facilities. The Debtors are parties to the following secured credit facilities pursuant to:

(a) the Revolving Credit and Guaranty Agreement, dated as of May 20, 2008, as amended by Amendment No. 1 thereto, dated as of July 21, 2009 (the “Prepetition First Lien Revolving Credit Agreement”), by and among the Debtors, the lenders party thereto from time to time (the “Prepetition First Lien Revolver Lenders”), The Bank of New York, as administrative agent (together with its permitted successors in such capacity, the “Prepetition First Lien Revolver Administrative Agent”), and Deutsche Bank Americas, as collateral agent for the First Lien Revolver Secured Parties (as defined below) (together with its permitted successors in such capacity, the “Prepetition Joint Collateral Agent”) and the “Credit Documents” as defined in the Prepetition First Lien Revolving Credit Agreement (such documents being referred to as the “Prepetition First Lien Revolving Credit Documents” and such facility being referred to as the “Prepetition First Lien Revolving Credit Facility”);

(b) the Amended and Restated First Lien Credit and Guaranty Agreement, dated as of May 20, 2008, as amended by Amendment No. 1 thereto, dated as of July 21, 2009 (the “Prepetition First Lien Term Credit Agreement”), by and among the Debtors, the lenders party thereto from time to time (the “Prepetition First Lien Term Lenders”), Wilmington Trust Company, as administrative agent (together with its permitted successors in such capacity, “Prepetition First Lien Term Administrative Agent”), and the Prepetition Joint Collateral Agent, as collateral agent for the First Lien Term Secured Parties (as defined below), and the “Credit

Documents” as defined in the Prepetition First Lien Term Credit Agreement (such documents being referred to as the “Prepetition First Lien Term Credit Documents” and such facility being referred to as the “Prepetition First Lien Term Credit Facility”); and

(c) the Amended and Restated Second Lien Credit and Guaranty Agreement, dated as of May 20, 2008, as amended by Amendment No. 1 thereto, dated as of July 21, 2009 (the “Prepetition Second Lien Term Credit Agreement”), by and among the Debtors, the lenders party thereto from time to time (the “Prepetition Second Lien Term Lenders”), Wells Fargo Bank, N.A., as administrative agent and collateral agent (the “Prepetition Second Lien Agent” and, together with the Prepetition Second Lien Term Lenders, the “Prepetition Second Lien Term Secured Parties”), and the “Credit Documents” as defined in the Prepetition Second Lien Term Credit Agreement (such documents being referred to as the “Prepetition Second Lien Term Credit Documents” and such facility being referred to as the “Prepetition Second Lien Term Credit Facility”). The Prepetition First Lien Revolver Lenders, the Prepetition First Lien Revolver Administrative Agent and the Prepetition Joint Collateral Agent are referred to collectively herein as the “Prepetition First Lien Revolver Secured Parties.” The Prepetition First Lien Term Lenders, the Prepetition First Lien Term Administrative Agent and the Prepetition Joint Collateral Agent are referred to collectively herein as the “Prepetition First Lien Term Secured Parties.” The Prepetition First Lien Revolver Secured Parties and the Prepetition First Lien Term Secured Parties are referred to collectively herein as the “Prepetition Secured Parties.” The Prepetition First Lien Revolving Credit Agreement and the Prepetition First Lien Term Credit Agreement are referred to collectively herein as the “Prepetition Credit Agreements.” The Prepetition First Lien Revolving Credit Documents and the Prepetition First Lien Credit Documents are referred to collectively herein as the “Prepetition Credit Documents.” The Prepetition First Lien Revolving Credit Facility

and the Prepetition First Lien Term Credit Facility are referred to collectively herein as the “Prepetition Credit Facilities.”

4. Stipulations as to Prepetition Credit Facilities.

(a) As of the Petition Date, (1) the Debtors are indebted and liable to the Prepetition First Lien Revolver Secured Parties, without objection, defense, counterclaim or offset of any kind under the Prepetition First Lien Revolving Credit Facility in the aggregate principal amount of not less than \$100,000,000 (plus accrued and unpaid interest thereon), (2) the Debtors are indebted and liable to the Prepetition First Lien Revolver Secured Parties for fees, expenses and other obligations (including any attorneys’, accountants’, appraisers’ and financial advisors’ fees that are chargeable or reimbursable under the Prepetition First Lien Revolving Credit Facility) incurred under the Prepetition First Lien Revolving Credit Facility and not paid prior to the commencement of these proceedings ((1) and (2) together, the “Prepetition Secured Revolver Obligations”), and (3) each Debtor party to a guaranty executed and delivered in respect of the Prepetition Secured Revolver Obligations was liable and indebted to the Prepetition First Lien Revolver Secured Parties without objection, defense, counterclaim or offset of any kind, under each such guaranty in an amount of not less than the aggregate amount of the Prepetition Secured Revolver Obligations.

(b) As of the Petition Date, (1) the Debtors are indebted and liable to the Prepetition First Lien Term Secured Parties, without objection, defense, counterclaim or offset of any kind under the Prepetition First Lien Term Credit Facility in the aggregate principal amount of not less than \$370,869,488.48 (plus accrued and unpaid interest thereon), (2) the Debtors are indebted and liable to the Prepetition First Lien Term Secured Parties for fees, expenses and other obligations (including any attorneys’, accountants’, appraisers’ and financial advisors’ fees that are chargeable or reimbursable under the Prepetition First Lien Term Credit Facility) incurred under the

Prepetition First Lien Term Credit Facility and not paid prior to the commencement of these proceedings ((1) and (2) together, the “Prepetition First Lien Secured Term Obligations”; the Prepetition First Lien Secured Term Obligations together with the Prepetition Secured Revolver Obligations, the “Prepetition First Lien Secured Obligations”), and (3) each Debtor party to a guaranty executed and delivered in respect of the Prepetition First Lien Term Secured Obligations was liable and indebted to the Prepetition First Lien Term Secured Parties without objection, defense, counterclaim or offset of any kind, under each such guaranty in an amount of not less than the aggregate amount of the Prepetition First Lien Term Secured Obligations.

(c) As security for the payment of the Prepetition First Lien Secured Obligations, the Debtors granted to the Prepetition Joint Collateral Agent, pursuant to the Amended and Restated Pledge and Security Agreement (First Lien), dated as of March 8, 2008, between the Debtors and any other grantors party thereto and the Prepetition Joint Collateral Agent (for the benefit of the Prepetition Secured Parties) (the “Prepetition First Lien Security Agreement”) and the other “Collateral Documents” (as such term is defined in the Prepetition First Lien Revolving Credit Agreement and in the Prepetition First Lien Term Credit Agreement; such Collateral Documents, together with the Prepetition First Lien Security Agreement, the “Prepetition First Lien Collateral Documents”) security interests in and liens on substantially all of the Debtors’ real and personal property and assets as more fully described, and subject to the limitations set forth, in the Prepetition First Lien Security Agreement, the “Collateral Agency Agreement” (as such term is defined in the Prepetition First Lien Revolving Credit Agreement and in the Prepetition First Lien Term Credit Agreement), the Prepetition First Lien Revolving Credit Documents and the Prepetition First Lien Term Credit Documents (all such property, as the same existed on or at any time prior to the Petition Date, together with all cash and non-cash proceeds thereof, being

hereinafter referred to as, the “Prepetition Collateral” and such security interests thereon and liens thereon shall be referred to as the “Prepetition Liens”).

(d) The Prepetition Liens are legal, valid, enforceable, non-avoidable, and duly perfected security interests in and liens upon the Prepetition Collateral not subject to avoidance, recharacterization or subordination under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise, and, as of the Petition Date, and without giving effect to this Final Order, the Debtors are not aware of any liens or security interests having priority over the Prepetition Liens, except certain “Permitted Liens” (as defined in the Prepetition Credit Documents). The Prepetition Liens on the Prepetition Collateral were granted to the Prepetition Secured Parties for fair consideration and reasonably equivalent value, and were granted contemporaneously with the making of the loans and incurrence of the other obligations secured thereby.

(e) As of or prior to the Petition Date, the obligations of the Debtors under each of the Prepetition First Lien Revolving Credit Agreement, the Prepetition First Lien Term Credit Agreement, and the Prepetition Second Lien Term Credit Agreement have been accelerated.

5. Findings Regarding the Use of Cash Collateral.

(a) The Debtors have a need to use Cash Collateral to permit, among other things, the orderly continuation of the operation of their businesses and to avoid irreparable harm. The access of the Debtors to sufficient working capital and liquidity through the use of Cash Collateral is vital to the preservation and maintenance of the going concern values of the Debtors and to a successful reorganization of the Debtors. The expenditures provided for in the Budget (as defined below) are appropriate to avoid irreparable harm to the Debtors’ estates.

(b) The Prepetition Secured Parties have acted in good faith regarding the Debtors’ use of the Prepetition Collateral, including the Cash Collateral, to fund the administration of the

Debtors' estates and continued operation of their businesses. The Prepetition Secured Parties have agreed to permit the Debtors to use the Prepetition Collateral, including the Cash Collateral, for the period through the Termination Date (as defined below), all subject to the terms and conditions set forth herein, including the protections afforded a party acting in "good faith" under section 363(m) of the Bankruptcy Code.

(c) The Prepetition Secured Parties are entitled to receive adequate protection as set forth herein pursuant to sections 361, 362 and 363 of the Bankruptcy Code for any Diminution in Value (as defined below) of their respective interests in the Prepetition Collateral (including Cash Collateral) resulting from the automatic stay or the Debtors' use, sale or lease of the Prepetition Collateral (including Cash Collateral) during the Cases. In addition, the Prepetition Second Lien Term Secured Parties may assert that they are entitled to adequate protection of their respective interests in the Prepetition Collateral (including the Cash Collateral). Based on the record presented to the Court, the terms of the proposed adequate protection arrangements and use of the Cash Collateral are fair and reasonable, reflect the Debtors' prudent exercise of business judgment and constitute reasonably equivalent value and fair consideration for the Prepetition Secured Parties' consent thereto. Nothing herein shall impair or modify the Prepetition Secured Parties' rights to seek additional adequate protection pursuant to section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition Secured Parties hereunder is insufficient to compensate for any Diminution in Value of their respective interests in the Prepetition Collateral during these Cases or any successor cases.

(d) Good cause has been shown for entry of this Final Order. The ability of the Debtors to finance their operations, to preserve and maintain the value of the Debtors' assets and maximize a return for all creditors requires the availability of the Cash Collateral. In the absence

of the use of Cash Collateral, the continued operation of the Debtors' businesses would not be possible, and serious and irreparable harm to the Debtors, their estates, their creditors and equity holders would occur. Further, the possibility for a successful reorganization or sale of the Debtors' assets as a going concern or otherwise would be jeopardized.

6. Use of Cash Collateral.

(a) The Debtors shall not use any cash collateral (as defined in section 363(a) of the Bankruptcy Code) that is subject to any Prepetition Lien ("Cash Collateral") except as permitted herein or as otherwise approved by this Court.

(b) From the date of the entry of the Interim Order and ending on the date on which (i) the Requisite Lenders under the Prepetition First Lien Revolving Credit Agreement, or, subject to the terms and limitations of Paragraph 16(a) hereof, the Requisite Lenders under the Prepetition First Lien Term Credit Agreement, as applicable, give, or cause to be given, to the Debtors notice that an Event of Default (as defined below) has occurred and is continuing or (ii) the Court terminates the Debtors' right to use the Cash Collateral on the terms and conditions set forth in this Final Order pursuant to Paragraph 16(a) hereof (such date, the "Termination Date"), the Debtors are hereby authorized, subject to the terms and conditions of this Final Order, to use Cash Collateral, for general corporate purposes and costs and expenses related to the Cases in accordance with the Thirteen-Week Cash Forecast attached hereto as Exhibit A (as the same may be amended in accordance with Paragraph 6(c) of this Final Order, the "Budget") and pursuant to the terms of this Final Order, including, but not limited to, adherence to the financial covenants set forth in Paragraph 15(e) hereof.

(c) Each Budget shall set forth a thirteen week cash forecast. No later than the third business day of the fourth full calendar week of any then current Budget, the Debtors shall deliver

to the Prepetition First Lien Revolver Administrative Agent and the Prepetition First Lien Term Administrative Agent (for further distribution to the other Prepetition Secured Parties) and the official committee of unsecured creditors appointed in these Cases (the “Committee”) and any other official committee appointed in the Cases a proposed budget covering the immediately succeeding thirteen-full-calendar week period (a “Proposed Budget”). Unless the Prepetition First Lien Revolver Administrative Agent (acting on the instruction of Requisite Lenders under the Prepetition First Lien Revolving Credit Agreement) or the Prepetition First Lien Term Administrative Agent (acting on the instruction of Requisite Lenders under the Prepetition First Lien Term Credit Agreement) provides written notice to the Debtors and the Committee within five days after receipt of the Proposed Budget that Requisite Lenders under the Prepetition First Lien Revolving Credit Agreement or the Prepetition First Lien Term Credit Agreement, as applicable, do not approve the Proposed Budget (which approval shall not be unreasonably withheld), the Proposed Budget shall become the “Budget” for the purposes hereof. If the Requisite Lenders under one of the Prepetition Credit Agreements do not approve a Proposed Budget (which approval shall not be unreasonably withheld) but that Proposed Budget is approved (or deemed to be approved) by the Requisite Lenders under the other Prepetition Credit Agreement, then the Debtors shall have the right to petition this Court for approval of the Proposed Budget, which if approved by the Court as reasonable and appropriate, shall become the “Budget” for the purposes hereof. In the event that the Prepetition Secured Parties (or, if applicable, the Court) fail to approve a subsequent Budget, and so long as the Termination Date has not occurred and nothing else in this Final Order separately prohibits the use of Cash Collateral, then the Debtors shall be permitted to continue to use Cash Collateral in accordance with the last approved Budget through the end of the period covered by such Budget, after which time the Debtors’ right

to use Cash Collateral pursuant to the terms of this Final Order shall be terminated.

(d) On the first Monday following the thirtieth (30th) day after the Petition Date and every Monday thereafter (or, if a given Monday is not a business day, the immediately succeeding business day) until such time as the Prepetition First Lien Revolver Secured Parties have received \$45,000,000 in principal payments under the Prepetition First Lien Revolving Credit Facility pursuant to this Paragraph 6(d), the Debtors shall pay to the Prepetition First Lien Revolver Administrative Agent for application to outstanding principal under the Prepetition First Lien Revolving Credit Facility in accordance with the priorities set forth in Section 7.2 of the Prepetition First Lien Security Agreement an amount equal to the amount (if any) by which the Debtors' combined cash on deposit in the Debtors' bank concentration accounts (the "Concentration Cash") at the close of business on the immediately preceding Friday (or, if a given Friday is not a business day, the immediately preceding business day) (each such date at such time, the "Weekly Determination Date") exceeded \$60,000,000; provided, however, that to the extent the Debtors' combined cash on hand or on deposit other than the Concentration Cash exceeds \$5,000,000 on the Weekly Determination Date, such cash shall be deemed to be Concentration Cash for purposes of determining the amount of Concentration Cash as of the Weekly Determination Date. Any amounts so repaid may not be reborrowed.

(e) The Debtors shall maintain and utilize their ordinary course pre-petition cash management system, practices, and policies, including as related to existing bank accounts, subject to any subsequent Court order requiring otherwise.

7. Adequate Protection. The Prepetition Secured Parties are entitled, and the Prepetition Second Lien Term Secured Parties may assert that they are entitled, pursuant to sections 361, 362, 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the

Prepetition Collateral on account of the Debtors' use of the Prepetition Collateral and any other diminution in value for any reason whatsoever, including, but not limited to, arising out of the automatic stay or the Debtors' use, sale, lease, depreciation, or disposition of the Prepetition Collateral (each such diminution, a "Diminution in Value"). As adequate protection for the aggregate Diminutions in Value, the Prepetition Joint Collateral Agent, on behalf of itself and the other Prepetition Secured Parties, and the Prepetition Second Lien Agent, on behalf of itself and the other Prepetition Second Lien Term Secured Parties, are hereby granted the following:

(a) Adequate Protection Liens. To the extent of the Diminution in Value, the Prepetition Joint Collateral Agent and the Prepetition Second Lien Agent (for the ratable benefit of the Prepetition Secured Parties and the Prepetition Second Lien Term Secured Parties, respectively, in accordance with and subject to the applicable priority provisions of the Prepetition Credit Documents and the Prepetition Second Lien Term Credit Documents, including Section 7.2 of the Prepetition First Lien Security Agreement and the Intercreditor Agreement (as defined in the Prepetition First Lien Revolving Credit Agreement) shall have, subject to the terms and conditions set forth below, pursuant to sections 361, 362(d) and 363(e) of the Bankruptcy Code, additional and replacement security interests and liens (the "Adequate Protection Liens") in the Prepetition Collateral and all of the Debtors' now owned and after-acquired real and personal property, assets and rights, of any kind or nature, wherever located, including, without limitation, contracts, property, plant, equipment, general intangibles, documents, instruments, the proceeds of the sale or disposition of the Debtors' leasehold interests (but not the leases directly), patents, copyrights, trademarks, trade names and all other intellectual property, capital stock of subsidiaries, cash and Cash Collateral of the Debtors (whether maintained with the Prepetition Joint Collateral Agent, the "Account Control Agent" (as defined in the Prepetition First Lien Security Agreement) or other

financial institution), any investment of such cash and Cash Collateral, inventory, accounts receivable, any cause of action and the proceeds thereof (whether recovered by judgment, settlement or otherwise), any other right to payment whether arising before or after the Petition Date, and the proceeds, products, rents and profits of all of the foregoing (collectively, the “Adequate Protection Collateral”); provided that the Adequate Protection Collateral shall not include avoidance and other actions arising under Chapter 5 of the Bankruptcy Code or the proceeds thereof. The Adequate Protection Liens shall be junior only to the Carve-Out (as defined below) and the Permitted Liens.

(b) Superpriority Claims. To the extent of the Diminution in Value, the Prepetition Joint Collateral Agent (for itself and the Prepetition Secured Parties) and the Prepetition Second Lien Agent (for itself and the Prepetition Second Lien Secured Parties) shall have allowed superpriority administrative expense claims as provided and to the full extent allowed by sections 503(b), 507(a) and 507(b) of the Bankruptcy Code and otherwise (the “Superpriority Claims”). The Superpriority Claims shall be subject to the applicable priority provisions of the Prepetition Credit Documents and the Prepetition Second Lien Term Credit Documents, including Section 7.2 of the Prepetition First Lien Security Agreement and the Intercreditor Agreement and shall have the same relative priority to one another as claims made under the Prepetition Credit Documents and the Prepetition Second Lien Term Credit Documents. The Superpriority Claims shall, subject to the Carve-Out, be allowed claims against each Debtor (jointly and severally) with priority over any and all administrative expenses and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all other administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all other administrative expenses or other claims arising under any other provision of the

Bankruptcy Code, including, without limitation, sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b), 726 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed Superpriority Claims shall be payable from and have recourse to all pre- and post-petition property of the Debtors. Other than the Carve-Out, no cost or expense of administration under sections 105, 503 or 507 of the Bankruptcy Code or otherwise, including any such cost or expense resulting from or arising after the conversion of the any of the Cases under section 1112 of the Bankruptcy Code, shall be senior to, or *pari passu* with, the Superpriority Claims granted hereunder.

(c) Periodic Cash Payments. Within three business days after entry of the Interim Order, the Debtors shall have paid to the Prepetition First Lien Revolver Administrative Agent, for the benefit of the Prepetition First Lien Revolver Secured Parties, an amount equal to all unpaid and accrued interest outstanding as of the Petition Date under the Prepetition First Lien Revolving Credit Facility (at the non-default rate otherwise applicable to Base Rate Loans as provided therein). In addition, the Prepetition First Lien Revolver Administrative Agent, for the benefit of the Prepetition First Lien Revolver Secured Parties, shall be paid an amount equal to interest due and payable under the Prepetition First Lien Revolving Credit Facility (at the non-default rate otherwise applicable to Base Rate Loans as provided therein) that accrues from and after the Petition Date. All such payments shall be made monthly in arrears, and shall be subject to the reservation of rights by any party to assert that any such amounts paid should be applied to the reduction of principal under section 506(b) of the Bankruptcy Code, and shall be further subject to the reservation of rights by the Prepetition First Lien Revolver Secured Parties to assert that default interest and all additional fees, costs and expenses, as provided pursuant to the Prepetition First Lien Revolving Credit Facility, are part of the Prepetition Secured Revolver Obligations.

(d) Prepetition Secured Parties' Professional Fees and Expenses. The Prepetition First Lien Revolver Secured Parties are entitled under the Prepetition First Lien Revolving Credit Documents to prompt reimbursement of (i) professional fees and expenses incurred by their counsel, including O'Melveny & Meyers, LLP, Tavenner & Beran, PLC, McGuire, Craddock & Strother, P.C., McCarter English, LLP, and Greenberg Traurig, LLP, and their financial advisor Jefferies & Company, Inc. and (ii) documented fees of the Prepetition First Lien Revolver Agent and the Prepetition Joint Collateral Agent, in each case for the purposes and in accordance with the terms of priorities set forth in the Prepetition First Lien Revolving Credit Documents. The Prepetition First Lien Term Secured Parties are entitled under the Prepetition First Lien Term Credit Documents to prompt reimbursement of (i) professional fees and expenses incurred by their counsel, including Brown Rudnick LLP, their local bankruptcy counsel, McCarter English, LLP, and Greenberg Traurig, LLP, and their financial advisor Houlihan Lokey and (ii) documented fees of the Prepetition First Lien Term Agent and the Prepetition Joint Collateral Agent, in each case for the purposes and in accordance with the terms and priorities set forth in the Prepetition First Lien Term Credit Documents. From and after the Petition Date, three business days after receipt of an invoice, the Debtors shall promptly pay all reasonable and documented fees and expenses of the Prepetition Secured Parties' and their advisors, the Prepetition First Lien Revolver Agent, the Prepetition First Lien Term Agent, and the Prepetition Joint Collateral Agent.¹ None of the fees, costs and expenses payable pursuant to this Paragraph 7(d) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees, costs

¹ In the event that the Debtors liquidate substantially all of their assets during these Cases, the Committee retains the right to object to the transaction fees of the Prepetition Secured Parties' financial advisors. The rights of the Prepetition Secured Parties to assert any and all defenses in support of such transaction fees hereby are expressly reserved. Under no circumstances shall any aspect of the standard of review of such fees of the Prepetition Secured Parties or their advisors to be higher than that applicable to the fees of any of the financial advisors retained by the Debtors' Estates.

and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. For the avoidance of doubt, nothing in this Final Order obligates the Debtors to reimburse the Prepetition Secured Parties for professional fees and expenses incurred by their respective counsel or financial advisors in connection with investigating, pursuing, asserting, or prosecuting claims against any party other than the Debtors (and each invoice submitted to the Debtors will include an affirmative statement that the fees and expenses have not been incurred in connection therewith); provided, however, that the Prepetition Secured Parties are entitled to file a motion with the Court requesting an order obligating the Debtors to provide such reimbursement, provided further that such request must conform and shall remain subject to the provisions of Paragraph 11 hereof. If the Court approves any such reimbursement, the requesting party shall submit its reimbursement request in a separate and appropriately identified invoice.

(e) Adequate Protection Obligations. All obligations of the Debtors and their estates and any other party in interest in favor of the Prepetition Secured Parties and the Prepetition Second Lien Term Secured Parties contained in this Paragraph 7 or otherwise provided for in this Final Order are hereinafter referred to as the “Adequate Protection Obligations.”

8. Perfection of Adequate Protection Liens. This Final Order shall be deemed to grant and perfect, and be sufficient and conclusive evidence of the validity, perfection and priority of the Adequate Protection Liens as of the Petition Date without the necessity of filing or recording any financing statement, deed of trust, mortgage or other instrument or document, which may otherwise be required under the law of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement) to validate or perfect the Adequate Protection Liens or to entitle the Prepetition Secured Parties to the priorities

granted herein. If the Prepetition Joint Collateral Agent or the Prepetition Second Lien Agent, each in its sole discretion, elects to file any financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise to confirm perfection of such Adequate Protection Liens, the Debtors shall cooperate with and assist in such process, the stay imposed under section 362 of the Bankruptcy Code is hereby modified solely to permit the filing and recording of a certified copy of this Final Order or any such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, and all such documents shall be deemed to have been filed and recorded at the time of and on the date of this Final Order. A certified copy of this Final Order may, in the discretion of the Prepetition Joint Collateral Agent or the Prepetition Second Lien Agent, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Final Order for filing and recording.

9. Information. The Debtors shall provide the Prepetition Secured Parties and the Committee with: (i) a weekly 13-week cash forecast, prepared in a manner consistent with the Budget and to be provided no later than Thursday of each week, or if Thursday is not a business day, then on the next succeeding business day, which includes (a) an update of the previous week's thirteen-week cash forecast by deleting the first week of the previous week's forecast and adding the week immediately succeeding the last week included in the previous week's forecast; (b) a reasonably detailed reconciliation analysis of actual results compared to projected results for the prior week; (c) a report on all financial covenants contained herein, including reasonably detailed calculations of those set forth in Paragraph 15(e) hereof, and (d) with respect to items (b) and (c) of this Paragraph 9, an explanation of all material variances of actual operating results compared to

the Budget and (ii) weekly, on the same day on which the 13-week cash forecast is delivered, (x) a liquidation activity report, setting forth, in form and substance reasonably satisfactory to the Prepetition Secured Parties and the Committee, the number of the Debtors' retail store locations then subject to store closing and liquidation sales, the number of the Debtors' retail store locations at which such sales have concluded and the number of the Debtors' retail store locations that have been closed and the leases in connection with such stores have terminated and (y) a report of the Debtors' cash flow since the immediately preceding weekly report and the Debtors' cumulative cash flow from the Petition Date. In addition, (i) within 75 days of the Petition Date, the Debtors shall provide to the Prepetition Secured Parties and the Committee the Debtors' business plan, which business plan shall include monthly projections through the end of 2010 and projections, calculated on a pro forma basis, giving effect to any store liquidations and any selling, general and administrative cost reduction initiatives through the end of 2010, (ii) within 120 days of the Petition Date, the Debtors shall provide to the Prepetition Secured Parties and the Committee the Debtors' business plan, which business plan shall include monthly projections through the end of 2010 and annual projections through 2014, and (iii) at all times during the Interim Period, the Debtors and their advisors shall promptly respond to all reasonable information requests made by any of the Prepetition Secured Parties, the Committee, or their respective agents and advisors.

10. Effect of Stipulations

. The stipulations and admissions contained in this Final Order, including in Paragraph 4, shall be binding upon the Debtors and any successor thereto, including any chapter 7 or chapter 11 trustee appointed or elected in any of the Cases, in all circumstances. The stipulations and admissions contained in this Final Order, including in Paragraph 4, shall be binding upon all other parties-in-interest, including the Committee, unless the Committee or any other party-in-interest, other than

the Debtors, acting in conformance with and subject to Paragraph 11 hereof timely files an adversary proceeding by no later than the date that is sixty (60) calendar days from the date of entry of this Final Order or such later date as ordered by the Court for good cause shown upon motion of the Committee, in respect of all challenges that may be initiated against any Prepetition Secured Parties (the “Investigation Period”), (i) challenging the validity, enforceability, priority, perfection or amount of the Prepetition Secured Revolver Obligations, the Prepetition First Lien Secured Term Obligations, or a Prepetition Secured Party’s security interests in or liens on the Prepetition Collateral in respect thereof or otherwise or (ii) asserting any claims or causes of action against any of the Prepetition Secured Parties in their capacities as such. If no such adversary proceeding is timely filed during the Investigation Period against the Prepetition First Lien Revolver Secured Parties, (x) the Prepetition Secured Revolver Obligations shall constitute allowed claims against each applicable Debtor and shall not be subject to any contest, objection, recoupment, counterclaim, defense, offset, subordination, recharacterization, avoidance, or other claim, challenge, or cause of action under the Bankruptcy Code, applicable non-bankruptcy law, or otherwise and the Prepetition Liens in respect of the Prepetition Secured Revolver Obligations shall be deemed legal, valid, binding, enforceable, duly perfected, not subject to any objection, counterclaim, setoff, offset of any kind, subordination, or defense, and such liens are otherwise unavoidable; and (y) the Prepetition First Lien Revolver Secured Parties shall not be subject to any other or further claims, counterclaims, causes of action or lawsuits by any party-in-interest or any successor thereto (the immediately foregoing items (i), (ii), (x), and (y), collectively referred to hereinafter as “Prepetition First Lien Revolver Secured Parties Claims and Causes of Action”). If no such adversary proceeding is timely filed during the Investigation Period against the Prepetition First Lien Term Secured Parties, (x) the Prepetition Secured Term Obligations shall constitute

allowed claims against each applicable Debtor and shall not be subject to any contest, objection, recoupment, counterclaim, defense, offset, subordination, recharacterization, avoidance, or other claim, challenge, or cause of action under the Bankruptcy Code, applicable non-bankruptcy law, or otherwise and the Prepetition Liens in respect of the Prepetition Secured Term Obligations shall be deemed legal, valid, binding, enforceable, duly perfected, not subject to any objection, counterclaim, setoff, offset of any kind, subordination, or defense, and such liens are otherwise unavoidable; and (y) the Prepetition First Lien Term Secured Parties shall not be subject to any other or further claims, counterclaims, causes of action or lawsuits by any party-in-interest or any successor thereto (the immediately foregoing items (i), (ii), (x), and (y), collectively referred to hereinafter as “Prepetition First Lien Term Secured Parties Claims and Causes of Action”; the Prepetition First Lien Revolver Secured Parties Claims and Causes of Actions together with the Prepetition First Lien Term Secured Parties Claims and Causes of Actions, collectively, the “Claims and Causes of Actions). If any such adversary proceeding is timely filed, the stipulations and admissions contained in Paragraph 4 of this Final Order shall nevertheless remain binding and preclusive (as provided in the second sentence of this paragraph) on the Committee and on any other person or entity, except if such stipulation or admission has been expressly challenged in an adversary proceeding conforming with Paragraph 11 hereof and such exception shall apply only to the extent that a final non-appealable order finds in favor of the challenging party.

11. Pursuit of Claims and Causes of Action. Nothing in this Final Order vests or confers on any Person (herein, as defined in the Bankruptcy Code) or group of Persons standing or authority to pursue any Claims and Causes of Action; provided, however, that, without the necessity of any further Court order or filing any request therefor, the Committee is hereby accorded and shall have standing and authority within the Investigation Period to pursue Claims

and Causes of Action against any Prepetition Secured Parties. Without the express approval of the Court for cause shown following appropriate notice and a hearing, no Person or group of Persons other than the Committee shall pursue Claims and Causes of Action against any Prepetition Secured Parties. Any Person or group of Persons (other than the Committee) which seeks authority or standing to pursue Claims and Causes of Action against any Prepetition Secured Party shall be deemed to have waived the benefits (including the temporal limitation) of the Investigation Period set forth in Paragraph 10 hereof with respect to Claims and Causes of Action that may be asserted against such Person or group of Persons (and any of their representative constituencies), and such Person or group of Persons (and any of their representative constituencies) automatically shall be subject to counterclaims, including Claims and Causes of Action, asserted by the Prepetition Secured Party or Prepetition Secured Parties against which such Person or group of Persons seeks authority or standing to pursue Claims and Causes of Action. For avoidance of doubt, if any party under a Prepetition Credit Facility seeks authority or standing to pursue Claims and Causes of Action against any party to the other Prepetition Credit Facility, then the party seeking such authority and its representative constituency (i) shall have been deemed to have waived the benefits (including the temporal limitation) of the Investigation Period set forth in Paragraph 10 hereof with respect to Claims and Causes of Action that may be asserted against such party and its representative constituency, and (ii) shall automatically be subject to counterclaims, including Claims and Causes of Action, asserted by the parties to the Prepetition Credit Agreement against which the moving party seeks authority or standing to pursue Claims and Causes of Action. This Final Order expressly reserves any and all rights of all parties in interest, including the Debtors, any Prepetition Secured Parties, and the Committee, to object to and be heard in opposition to any motion or other request by any Person or group of Persons seeking standing or authority to pursue

Claims and Causes of Action against any Prepetition Secured Parties.

12. Limitation on Use of Collateral

. Absent the consent of the Requisite Lenders under each respective Prepetition Credit Facility, no proceeds of the Prepetition Collateral, the Cash Collateral or the Adequate Protection Collateral shall be used for the purpose of:

(a) objecting to, challenging or contesting in any manner, or in raising any defenses to, the amount, validity, extent, perfection, priority or enforceability of the obligations under the Prepetition Credit Facilities, or any liens or security interests with respect thereto (but not including any investigation related thereto which shall be subject to the limitations set forth below), or any other rights or interest of any Prepetition Secured Party, whether in their capacity as a lender or otherwise, including with respect to the Adequate Protection Liens, or in asserting any claims or causes of action against any Prepetition Secured Party, whether in their capacity as a lender or otherwise, including, without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550 or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise;

(b) preventing or hindering a Prepetition Secured Party's assertion, enforcement or realization on the Prepetition Collateral, Cash Collateral or the Adequate Protection Collateral;

(c) seeking to modify any of the rights granted to any Prepetition Secured Party hereunder; or

(d) paying any amount on account of any claims arising before the Petition Date unless such payments are approved by an order of this Court.

Notwithstanding the foregoing provisions of this Paragraph 12, (i) \$75,000 of Cash Collateral in the aggregate may be used to pay the allowed fees

and expenses of professionals retained by the Committee incurred directly in connection with investigating, but not initiating or prosecuting, any Claims and Causes of Action against any Prepetition First Lien Revolver Secured Party, whether in its capacity as a lender or otherwise, and (ii) another \$75,000 of Cash Collateral in the aggregate may be used to pay the allowed fees and expenses of professionals retained by the Committee incurred directly in connection with investigating, but not initiating or prosecuting, any Claims and Causes of Action against any Prepetition First Lien Term Secured Party, whether in its capacity as a lender or otherwise; provided, however, that with respect to fees and expenses common to investigating Prepetition First Lien Revolver Secured Parties Claims and Causes of Action and Prepetition First Lien Term Secured Parties Claims and Causes of Action, the Committee shall use its best efforts to allocate such fees and expenses fairly to the amounts set forth in the immediately preceding items (i) and (ii). The Prepetition Secured Parties shall not participate in any such investigation, but the Prepetition Secured Parties agree to cooperate reasonably with the Committee in responding to any inquiries by the Committee in the course of any such investigation. The Committee shall reasonably make available to the Prepetition Secured Parties all pertinent facts uncovered during the course of such investigations, including produced documents, and, at the conclusion of any such investigations, shall promptly share the Committee's conclusions with the Prepetition Secured Parties.

13. Carve-Out

The Adequate Protection Liens, the Prepetition Liens, the Prepetition First Lien Secured Obligations, and the Superpriority Claims shall be subordinate and subject only to the Permitted Liens and the payment (the “Carve-Out”) of the following expenses: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code; (ii) fees and expenses incurred by the Debtors and the Committee in respect of compensation for services rendered or reimbursement of expenses allowed by the Bankruptcy Court to the Debtors’ or the Committee’s professionals (the “Professionals”) or to the members of the Committee, in each case incurred (whether or not paid) prior to the delivery of the Carve-Out Notice (as defined below), but in no event in excess of the amounts allocated for such Professionals in the Budget; (iii) after the delivery of a Carve-Out Notice, an amount not exceeding \$3,000,000 (allocated consistent with the back-up detail for the Budget), to pay, subject to Paragraph 12 hereof, any fees or expenses incurred following the delivery of such Carve-Out Notice by the Debtors and the Committee in respect of compensation for services rendered or reimbursement of expenses allowed by the Bankruptcy Court to the Debtors, the Committee, and their respective Professionals; provided, however, that the dollar amount in this clause (iii) shall not be reduced by payments pursuant to clauses (i) and (ii) of this paragraph; and (iv) all reasonable fees and expenses incurred by a trustee appointed pursuant to section 726(b) of the Bankruptcy Code in an amount not exceeding \$100,000 in the aggregate. “Carve Out Notice” means a written notice provided to the Professionals by the Prepetition First Lien Revolver Administrative Agent, or, subject to the terms and limitations of Paragraph 16(a) hereof, the Prepetition First Lien Term Administrative Agent of the occurrence of an Event of Default (as defined below). Prior to the delivery of a Carve-Out Notice, the Debtors shall be

permitted to pay to the Professionals, in the ordinary course of the Debtors' business, fees and expenses that are otherwise allowed and payable under sections 328, 330 and 331 of the Bankruptcy Code and any interim procedures order, as the same may be due and payable, and the amounts paid shall not reduce the Carve-Out; provided that following the delivery of a Carve-Out Notice, any prepetition retainers held by the Professionals shall be fully applied against and utilized prior to such Professional receiving payment from any Debtor and such application shall not reduce the Carve-Out. In all cases, the Carve-Out shall be senior to, and not subject to the Adequate Protection Liens, the Prepetition Liens, the Prepetition First Lien Secured Obligations, and the Superpriority Claims or any junior lien or claim. The Carve-Out shall exclude any fees and expenses (x) incurred in connection with the assertion or joinder in any claim, counterclaim, action, proceeding, application, motion, objection, defenses or other contested matter, the purpose of which is to seek any order, judgment, determination or similar relief (A) invalidating, setting aside, avoiding, or subordinating, in whole or in part, (i) the Prepetition First Lien Secured Obligations, (ii) the Prepetition Liens, or (iii) the Adequate Protection Liens or (B) preventing, hindering or delaying, whether directly or indirectly, the Prepetition Secured Parties' assertions or enforcement of their Prepetition Liens or Adequate Protection Liens or any realization thereon or (y) arising after the conversion of the chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code. Nothing herein shall be construed to obligate the Prepetition Secured Parties, in any way, to fund the Carve-Out or to otherwise pay the professional fees or U.S. Trustee Fees, or to assure that the Debtors have sufficient funds on hand to pay any professional fees or U.S. Trustee Fees.

14. Reservation of Rights of Prepetition Secured Parties.

(a) Under the circumstances known to the Prepetition Secured Parties as of the date of this Final Order (and consistent with the rights of the Prepetition Secured Parties under section

506(b) of the Bankruptcy Code), and based upon the Prepetition Secured Parties' consent, the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. Notwithstanding any other provision, the grant of adequate protection to the Prepetition Secured Parties is without prejudice to any Prepetition Secured Party's request for any modification of, or further or different, adequate protection, and the Debtors' or any other party's objection to any such request.

(b) Except on the terms of this Final Order, at all times before the Termination Date, the Debtors are hereby prohibited from at any time (i) using the Adequate Protection Collateral or the Prepetition Collateral including the Cash Collateral and (ii) applying to any court for an order authorizing the use of the Adequate Protection Collateral or the Prepetition Collateral, including the Cash Collateral; provided that nothing in this Final Order shall prohibit the Debtors from seeking Court approval of (A) the use of Cash Collateral after the Termination Date; or (B) debtor in possession financing if (1) within five business days of the Debtors' written request therefor, the Prepetition Secured Parties and the Debtors have not reached agreement in principle on the terms of debtor in possession financing to be provided by any such Prepetition Secured Parties (with the understanding that no Prepetition Secured Party is under any obligation or commitment by virtue of this Final Order to provide or participate in any such debtor in possession financing), or (2) within seven business days of such request the Prepetition Secured Parties and the Debtors have not filed a joint motion seeking approval of a definitive agreement for such financing. Notwithstanding anything in this Final Order to the contrary, the Prepetition Secured Parties reserve all rights to object to any debtor-in-possession financing proposed by the Debtors.

(c) Except as permitted under this Final Order, the order authorizing "going out of business" sales at certain of the Debtors' stores as requested by the Debtors in a motion filed on the

Petition Date [Docket No. 20], and the Budget, the Debtors shall not dispose of any of their assets outside of the ordinary course of business.

15. Events of Default

. As used in this Final Order, “Event of Default” means any of the events specified below, provided however that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied:

(a) the Debtors fail to make any Adequate Protection payment or other payment to a Prepetition Secured Party as and when required by this Final Order, subject to three business days notice and cure by the Debtors within three business days;

(b) within 180 calendar days after the Petition Date, the Debtors fail to either (1) (y) file with the Court either a chapter 11 plan that is reasonably acceptable to the number and amount of Prepetition First Lien Revolver Secured Parties and their respective claims necessary for the class of such claims to accept such plan under Section 1126(c) of the Bankruptcy Code (provided that a plan that provides for payment in full in cash on the effective date of such plan of all Prepetition Secured Revolver Obligations, all accrued interest thereon and all fees and expenses reimbursable in accordance with the terms of the Prepetition First Lien Revolving Credit Documents shall be deemed to be acceptable) and (z) within 270 days of the Petition Date obtain confirmation of such plan (or obtain the reasonable acceptance to such plan from the number and amount of Prepetition First Lien Term Secured Parties and their respective claims necessary for the class of such claims to accept such plan under Section 1126(c) of the Bankruptcy Code); or (2) to file a motion, acceptable in form and substance to the Requisite Lenders under the Prepetition First Lien Revolving Credit Facility and the Requisite Lenders under the Prepetition First Lien Term Credit Facility in their reasonable discretion, seeking this Court’s approval of bidding and auction

procedures (which include authorization for (i) the Prepetition First Lien Revolver Secured Parties to credit bid their claims in full (ii) the Prepetition First Lien Term Secured Parties to credit bid their claims in full provided that all obligations under the Prepetition First Lien Revolving Credit Agreement are satisfied in full in cash) in connection with the sale of substantially all of the Debtors' assets under Section 363 of the Bankruptcy Code;

(c) if the Debtors' file the motion referred to in Paragraph 15(b)(2), an order granting the motion and including authorization for the Prepetition Secured Parties to credit bid their claims as described in Paragraph 15(b) hereof, is not entered by this Court within 45 days of the filing of the motion;

(d) the Debtors remove Corliss & Moore as the Debtors' Chief Restructuring Officer, or any other entity acting as Chief Restructuring Officer, and such Chief Restructuring Officer is not replaced with a Chief Restructuring Officer reasonably acceptable to the Requisite Lenders under both Prepetition Credit Agreements within three (3) business days of such removal;

(e) (i) During each period ending on or before the end of the third full week after the Petition Date, the period from the Petition Date through the end of such period, and, for any time thereafter, any consecutive four-week period set forth in the Budget, the sum of all Operating Expenses paid by the Debtors exceeds the amount of Operating Expenses included in the Budget for such period by the greater of (A) \$5,000,000 and (B) 10% of the total amount of Operating Expenses set forth in the Budget for such period. "Operating Expenses" shall mean, for any period, the sum of the aggregate of all cash expenditures by the Debtors during that period, including, without limitation, payroll, rent, cash taxes, payments on indebtedness, non-recurring general and administrative expenses, professional retainers, and stop payment fees and charges. "Operating Expenses" shall not include repayment of principal of indebtedness, any non-cash

expenses associated with trade-in transactions for used games, any and all expenses associated with the conduct of the Cases or the restructuring of Debtors' businesses (including, without limitation, retainers and fees and expenses paid to any Professionals or any legal or financial advisors or consultants retained by the Prepetition Secured Parties), any and all expenses incurred in connection with store liquidations, and Consolidated Capital Expenditures (as defined in the Prepetition First Lien Revolving Credit Agreement);

(ii) the sum of all Consolidated Capital Expenditures paid by the Debtors after the Petition Date exceeds \$2,000,000; provided that to the extent Consolidated Capital Expenditures set forth in the Budget for any period are not, in fact, spent during such period, such amounts will be carried forward to the immediately succeeding period on a dollar-for-dollar basis;

(iii) the cumulative Net Operating Cash Flow of the Debtors for any period from the Petition Date (commencing with the first full week after the Petition Date) is less than the cumulative amount set forth in the Budget for such period by an amount greater than, (A) for any period ending on or prior to the last day of the third full week after the Petition Date, \$8,500,000 and, (B) for any period ending after the last day of the third full week after the Petition Date, \$12,000,000. "Net Operating Cash Flow" shall mean, for any period, (A) total operating receipts of the Debtors for such period (excluding any and all receipts from the liquidating stores) minus (B) total Operating Expenses for such period;

(iv) the sum of all severance payments made or incurred by the Debtors during the thirteen week period immediately following the Petition Date exceeds \$308,000; provided that to the extent severance payments set forth in the Budget for any period are not, in fact, spent during such period, such amounts will be carried forward to the immediately succeeding period on a dollar-for-dollar basis;

(v) the sum of any and all expenses associated with the conduct of the Cases (including, without limitation, retainers and fees and expenses paid to any Professionals or any legal or financial advisors or consultants retained by the Prepetition Secured Parties) by the Debtors or their estates for any period set forth in the Budget exceeds the amount included in the Budget therefor by 10% of the total amount set forth in the Budget therefor for the period from the Petition Date through the end of such period; provided that to the extent such expenses set forth in the Budget for any period are not, in fact, spent during such period, such amounts will be carried forward to the immediately succeeding period on a dollar-for-dollar basis;

(vi) the cumulative net proceeds of any store liquidations (calculated using point of sale receipts and reasonable good faith allocations of expenses to the extent exact amounts of specific expenses are not known, with such calculations subject to reasonable approval of the Prepetition Secured Parties) for any period from the Petition Date through the end of such period (commencing with the fourth full week following the week in which the Petition Date occurs) is less than the cumulative amount set forth in the Budget for such period by an amount greater than 10%;

(f) the Debtors fail, to provide to the Prepetition Secured Parties, the information required under Paragraph 9 of this Final Order;

(g) any of the Cases is dismissed or converted to a Chapter 7 or a Chapter 11 trustee, a responsible officer, or an examiner with enlarged powers relating to the operation of the businesses of the Debtors (powers beyond those set forth in Section 1106(a)(3) and (4) of the Bankruptcy Code) is appointed in any of the Cases;

(h) this Court enters an order granting relief from the automatic stay to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of

foreclosure or the like) on any assets of the Debtors which have an aggregate value in excess of \$300,000;

(i) an order is entered by a court of competent jurisdiction reversing, amending, supplementing, staying for a period in excess of three (3) days, vacating or otherwise modifying this Final Order in a manner that is adverse to the Prepetition Secured Parties without the consent of the Requisite Lenders under each respective Prepetition Credit Agreement;

(j) the Debtors create, incur or suffer to exist any postpetition liens or security interests that are *pari passu* with or senior to the liens and claims of the Prepetition First Lien Revolver Secured Parties other than (1) those granted pursuant to this Final Order, (2) carriers', mechanics', warehousemen's, repairmen's or other similar liens arising in the ordinary course of business, which secure amounts not overdue for a period of more than thirty (30) days and do not exceed in the aggregate the amount budgeted therefor, (3) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, (4) deposits to secure the payment of any postpetition statutory obligations, performance bonds and other obligations of a like nature incurred in the ordinary course of business, and (5) tax liens in respect of taxes not yet due and payable;

(k) the entry of an order of this Court approving any debtor in possession financing or other credit extension for the Debtors without the prior written consent of the Requisite Lenders under the Prepetition Credit Agreements;

(l) any judgment in excess of \$300,000 as to any postpetition obligation not covered by insurance is rendered against the Debtors and the enforcement thereof is not stayed; or there is rendered against the Debtors a non-monetary judgment with respect to a postpetition event which results in a material adverse effect on the property, business, condition (financial or otherwise) or

prospects of the Debtors taken as a whole or the ability of the Debtors to perform their obligations under this Final Order; or

(m) the Debtors fail to comply in any material respect with any other covenant, agreement, obligation or requirement specified in this Final Order and not specifically addressed in (a) through (l) above, and in each case, such failure shall continue unremedied for more than three (3) business days after the occurrence thereof.

The Debtors shall promptly provide notice to the Prepetition Secured Parties (with a copy to counsel for the Committee and the United States Trustee) of the occurrence of any Event of Default.

16. Rights and Remedies Upon Event of Default

—

(a) On the Termination Date, the Debtors' right to use the Cash Collateral on the terms and conditions set forth in this Final Order shall terminate automatically; unless at least two business days prior to the scheduled Termination Date (or, if applicable, by the second business day after the Requisite Lenders under the Prepetition First Lien Revolving Credit Agreement, or, only after the Prepetition Revolver Secured Parties have received \$45,000,000 in principal payments in accordance with Paragraph 6(d) hereof, the Requisite Lenders under the Prepetition First Lien Term Credit Agreement, have given, or have caused to be given, the Debtors notice of the occurrence of an Event of Default), the Debtors' have filed a motion with this Court seeking approval of the right to continue to use Cash Collateral on terms not less favorable to the Prepetition Secured Parties as set forth in this Final Order and seeking an emergency hearing on such motion, in which case the Debtors' right to use Cash Collateral in accordance with this Final Order shall continue until the entry of an order granting or denying the Debtors' motion. Prior to

the receipt by the Revolver Lenders of \$45,000,000 in principal payments in accordance with Paragraph 6(d) hereof, if an Event of Default occurs and the Requisite Lenders under the Prepetition First Lien Revolving Credit Agreement have not given, or have not caused to be given, the Debtors notice of the occurrence of such Event of Default, then the Prepetition First Lien Term Secured Parties may file a motion with the Court requesting that the Debtors' right to use the Cash Collateral on the terms and conditions set forth in this Final Order be terminated.

(b) From and after the date on which the Debtors' right to use Cash Collateral under this Final Order is terminated, unless otherwise ordered by this Court: (i) each Prepetition Secured Party may, upon five (5) business days' written notice to the Debtors (with a copy to counsel for the Committee and the United States Trustee), setoff amounts in any account of the Debtors maintained with such Prepetition Secured Party or its agents, respectively, and (ii) the Prepetition Secured Parties may, upon five (5) business days' written notice to the Debtors (with a copy to counsel for the Committee and the United States Trustee), exercise the rights and remedies available under this Final Order, the Prepetition Credit Documents, or applicable law, including foreclosing upon and selling all or a portion of the Prepetition Collateral. The actions described in clauses (i) and (ii) above may be taken without further order or application to the Court as each Prepetition Secured Party shall, in its discretion (but subject to its intercreditor obligations under the applicable Prepetition Credit Documents), elect, and the automatic stay is hereby modified and vacated to the extent necessary to permit such actions, so long as no order prohibiting such action is entered by this Court prior to the conclusion of the above-referenced five (5) business day period. If the Debtors or Committee do not contest the right of the Prepetition Secured Parties to exercise their remedies based upon whether the Termination Date has occurred within such time period, or if the Debtors or Committee do timely contest the occurrence of the Termination Date

and this Court after notice and hearing declines to stay the enforcement thereof, the automatic stay, as to the Prepetition Secured Parties shall automatically terminate at the end of such notice period. Immediately following the occurrence of such five (5) business day period: (i) the Debtors or Committee shall, subject to the rights, if any, of the holders of any Permitted Liens and the Carve Out, continue to deliver and cause the delivery of the proceeds of the Prepetition Collateral to the Prepetition Joint Collateral Agent for application to the Prepetition First Lien Secured Obligations pursuant to the Prepetition Credit Documents, including, without limitation, Section 7.2 of the Prepetition First Lien Security Agreement in each case, in accordance with this Final Order; and (ii) the Debtors shall have no right to use any of such proceeds, nor any other Cash Collateral other than towards the satisfaction of the Prepetition First Lien Secured Obligations and the Carve-Out.

(c) If the Prepetition Secured Parties exercise any of their rights and remedies upon the occurrence of the Termination Date and the conclusion of the five (5) business day period referred to in the immediately preceding paragraph “b”, the Prepetition Joint Collateral Agent, upon notice to the Debtors and Committee, may retain one or more agents reasonably acceptable to the Debtors to sell, lease, or otherwise dispose of the Prepetition Collateral. In any exercise of rights and remedies upon the Termination Date, the Prepetition Joint Collateral Agent, for the benefit of the Prepetition Secured Parties, is authorized to proceed under or pursuant to the Prepetition Credit Documents. Without limiting the foregoing, in the exercise of the Prepetition Joint Collateral Agent’s rights and remedies upon the Termination Date, the Prepetition Joint Collateral Agent may by written notice to the Debtors and Committee require the Debtors to file a motion seeking to retain one or more agents to sell, lease, or otherwise dispose of the Prepetition Collateral on terms acceptable to the Prepetition Joint Collateral Agent (the cost of which shall be funded by the use of Cash Collateral in accordance with the Budget). The Debtors shall file such

motion within ten (10) days of the Prepetition Joint Collateral Agent's request and shall diligently prosecute such motion. If the Debtors fail to so file the motion, the Prepetition Joint Collateral Agent may file and prosecute such a motion in the name of the Debtors. Notwithstanding anything to the contrary in this Final Order, in connection with the exercise of rights and remedies upon the occurrence of the Termination Date, the rights of Prepetition Secured Parties to use and/or occupy any leased premises shall be limited to those rights: (A) existing under applicable non-bankruptcy law; (B) the applicable landlords provide and/or consent to in writing; and/or (C) granted by the Court on motion and notice, and with an opportunity appropriate under the circumstances for the applicable landlords to respond.

17. No Marshalling Required

. The Prepetition Secured Parties shall be entitled to apply the payments or proceeds of the Prepetition Collateral and Adequate Protection Collateral in accordance with the provisions of the Prepetition Credit Agreements, the related "Credit Documents" and this Final Order, and in no event shall any Prepetition Secured Party be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the Prepetition Collateral, the Adequate Protection Collateral or otherwise. Notwithstanding the occurrence of the Termination Date or anything herein, all of the rights, remedies, benefits and protections provided to the Prepetition Secured Parties under this Final Order shall survive the Termination Date.

18. Enforceability

. This Final Order shall constitute findings of fact and conclusions of law pursuant to the Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

19. Limitation on Charging Expenses Against Collateral

. In consideration of the Prepetition Secured Parties' consent to the use of the Cash Collateral in accordance with the terms of this Final Order and the Budget, no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Prepetition Collateral or the Adequate Protection Collateral under section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the Prepetition Joint Collateral Agent acting on the instructions of the Requisite Lenders under each respective Prepetition Credit Facility, and no such consent shall be implied from any action, inaction or acquiescence by the Prepetition Joint Collateral Agent, other Prepetition Secured Party or otherwise. Notwithstanding anything else set forth in this Order and pending further Order of the Court, the application of the waiver under section 506(c) of the Bankruptcy Code shall not apply to the Debtors' obligation to pay rent at any of the Debtors' leased premises accruing from the Petition Date through February 28, 2010 (the "Stub Rent") and all parties' rights with respect to Stub Rent, including the application of the section 506(c) waiver to Stub Rent in connection with the Debtors' use of Cash Collateral, shall be preserved. All contested matters relating to Stub Rent, including the application of section 506(c) of the Bankruptcy Code to Stub Rent, are continued to a hearing to be held by the Court on March 8, 2010 and any party may file a brief related to such matter on or before March 3, 2010.

20. Preservation of Rights Granted in this Final Order.

(a) Except for the Carve-Out and the Permitted Liens and except as the Prepetition Secured Parties previously have consented or may hereafter consent, no claim or lien having a priority superior to or *pari passu* with those granted by this Final Order to the Prepetition Secured Parties shall be granted or allowed while any portion of the Prepetition Revolver Secured

Obligations, the Prepetition First Lien Secured Term Obligations, or the Adequate Protection Obligations remains outstanding, and none of the Prepetition Liens or the Adequate Protection Liens shall be (i) subject or junior to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any lien arising after the Petition Date, including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors, or (ii) subordinated to or made *pari passu* with any other lien or security interest, whether under sections 363 or 364 of the Bankruptcy Code or otherwise.

(b) The Debtors shall not seek any order modifying or extending this Final Order without the prior written consent of the Requisite Lenders under both Prepetition Credit Facilities, and no such consent shall be implied by any other action, inaction or acquiescence by the Prepetition Joint Collateral Agent or other Prepetition Secured Party. In addition, the Debtors shall not seek any order modifying or extending this Final Order without providing the Committee notice and an opportunity to object. If an order dismissing any of the Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that: (i) the Superpriority Claims and Adequate Protection Liens granted to the Prepetition Joint Collateral Agent and the other Prepetition Secured Parties under this Final Order and the Carve-Out shall continue in full force and effect and shall maintain their priorities as provided in this Final Order, and that such Superpriority Claims, Adequate Protection Liens and the Carve-Out shall, notwithstanding such dismissal, remain binding on all parties in interest; and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in (a) above, to the fullest extent authorized by law.

(c) If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacatur or stay, shall not affect (i) the validity of any Adequate Protection Obligations incurred before the actual receipt of written notice by the Prepetition Joint Collateral Agent of the effective date of such reversal, modification, vacatur or stay or (ii) the validity or enforceability of any lien or priority authorized or created hereby with respect to any Adequate Protection Obligations or the Carve-Out. Notwithstanding any such reversal, modification, vacatur or stay, the Carve-Out and any use of Cash Collateral or Adequate Protection Obligations incurred by the Debtors to any Prepetition Secured Party and the Committee, as applicable, before the actual receipt of written notice by the applicable Prepetition Secured Party of the effective date of such reversal, modification, vacatur or stay, shall be governed in all respects by the original provisions of this Final Order, and the Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges and benefits granted in section 363(m) of the Bankruptcy Code and this Final Order with respect to all uses of Cash Collateral and Adequate Protection Obligations.

(d) Except as expressly provided in this Final Order, the Adequate Protection Liens, the Superpriority Claims and all other benefits, rights and remedies of the Prepetition Secured Parties granted by the provisions of this Final Order (including, without limitation, the benefits set forth in Paragraphs 6(d), 7 (including all Adequate Protection Obligations, whether already paid or to be paid), 10, and 11) and the Carve-Out shall survive, and shall not be modified, impaired or discharged by any act of the Debtors or any other person, the occurrence of any Event of Default, the occurrence of the Termination Date, or any order of the Court, including (i) the entry of an order converting any of the Cases to a case under chapter 7, dismissing any of the Cases, terminating the joint administration of these Cases or by any other act or omission, (ii) the entry of

an order confirming a plan in any of the Cases or (iii) the entry of an order approving any debtor in possession financing or other credit extension for the Debtors. The terms and provisions of this Final Order shall continue in these Cases, in each of these Cases if they cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the Adequate Protection Liens, the Superpriority Claims, the Carve-Out, and all other rights and remedies of the Prepetition Secured Parties granted by the provisions of this Final Order shall continue in full force and effect until the Adequate Protection Obligations and Carve-Out are indefeasibly paid in full.

21. Reservation of Certain Rights of Prepetition Secured Parties

. Nothing contained in this Final Order (including, without limitation, the authority to use Cash Collateral) shall waive, modify or impair in any way the right of any Prepetition Secured Party that is a party to a swap agreement, securities contract, commodity contract, forward contract, repurchase agreement or any other similar agreement with any Debtor to assert rights of setoff or other rights with respect thereto as permitted by law. In addition, nothing in this Final Order shall waive, modify or impair in any way the rights that the Prepetition Secured Parties have under section 363(k) of the Bankruptcy Code.

22. Objections Overruled

. All objections to the Motion to the extent not withdrawn or resolved, are hereby overruled.

23. Waiver of the Fourteen (14) Day Stay Under Bankruptcy Rule 6004(h)

. The fourteen (14) day stay provisions of Bankruptcy Rule 6004(h) are waived and shall not apply to this Final Order.

24. Binding Effect; Successors and Assigns

. Except as set forth in Paragraph 12 hereof, the provisions of this Final Order, including all findings herein, shall be binding upon all parties in interest in these Cases, including the

Prepetition Joint Collateral Agent, the other Prepetition Secured Parties, the Committee and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors) and shall inure to the benefit of the Prepetition Joint Collateral Agent, the other Prepetition Secured Parties and the Debtors and their respective successors and assigns; provided that the Prepetition Joint Collateral Agent and the other Prepetition Secured Parties shall have no obligation to extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

25. Order Governs

. In the event of any inconsistency between the provisions of this Final Order and the Motion, the provisions of this Final Order shall govern.

26. Notice

. The Debtors shall promptly mail copies of this Final Order to any party that has filed a request for notices with this Court and to (a) Deutsche Bank Trust Company Americas, the first lien collateral agent and McCarter & English, LLP as its counsel; (b) Wilmington Trust Company, the first lien administrative agent; (c) Wachovia Bank, National Association, as first lien Synthetic LC Agent and Synthetic LC Issuing Bank and Otterbourg, Steindler, Houston & Rosen, P.C. as its counsel; (d) Brown Rudnick LLP, counsel to certain holders of pre-petition first lien term debt; (e) Wells Fargo Bank, N.A., the second lien administrative agent and collateral agent; (f) The Bank of New York as administrative agent for pre-petition revolver and Haynes and Boone, LLP as its counsel; (g) Deutsche Bank Trust Company Americas, the joint collateral agent for pre-petition revolver and McCarter & English, LLP as its counsel; (h) Sopris Partners Series A of Sopris Capital Partners, LP, arranger of the pre-petition revolver, and O'Melveny & Myers, LLP as its counsel; (i) the Internal Revenue Service; (j) the banks that process disbursements in the Debtors'

cash management system (Bank of America, Canadian Imperial Bank of Commerce and Wachovia Bank); (k) Sonnenschein Nath & Rosenthal LLP, 1221 Avenue of the Americas, New York, New York 10020, Attention: John Bicks and Richard L. Sadowsky, attorneys for the Debtors; (l) O'Melveny & Myers, LLP, 400 S. Hope Street, Los Angeles, California 90071, Attention: Stephen H. Warren; (m) Tavenner & Beran, PLC, 20 North Eighth Street, Second Floor, Richmond, Virginia 23219, Attention: Lynn Tavenner; (n) Brown Rudnick LLP, One Financial Center, Boston, MA 02111, Attention: Jeffrey Jonas, with a copy to Brown Rudnick LLP, 7 Times Square, New York, NY 10036, Attention: Christopher Carolan; and (o) the Core Group and the 2002 List, as such terms are defined in that certain Order Establishing Certain Notice, Case Management and Administrative procedures [Docket No. 188] entered by the Court on February 8, 2010.

27. Proofs of Claim. The Prepetition Secured Parties will not be required to file proofs of claim in these Cases or any successor cases. This Final Order shall constitute a proof of claim on behalf of the Prepetition Secured Parties in these Cases. The Prepetition Secured Parties are hereby authorized and entitled, in their sole discretion, but not required, to file (and amend and/or supplement, as they see fit) aggregate proofs of claim in these Cases or any successor cases. Any proof of claim so filed shall be deemed to be in addition and not in lieu of any other proof of claim that may be filed by any of the Prepetition Secured Parties.

28. No Waiver. The failure of the Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under any Prepetition Credit Documents, or this Final Order, as applicable, shall not constitute a waiver of any of the Prepetition Secured Parties' rights hereunder, thereunder, or otherwise. Except as expressly provided herein, the entry of this Final Order does not affect the rights of the Prepetition Secured Parties under the Bankruptcy Code or under non-

bankruptcy law, including without limitation, the rights of the Prepetition Secured Parties to (i) request conversion of these Cases to cases under chapter 7, dismissal of these Cases, or the appointment of a trustee in these Cases (but, in each case, only in the event the Termination Date has occurred and is continuing), or (ii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Plan or (iii) any of the rights, claims or privileges (whether legal, equitable or otherwise) of the Prepetition Secured Parties.

29. Section 552(b). The Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code and the “equities of the case” exception under section 552(b) of the Bankruptcy Code shall not apply to the Prepetition Secured Parties with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral.

Richmond, Virginia
Date: February 22, 2010

Hon. Douglas O. Tice
United States Bankruptcy Judge

We ask for this:

/s/ Jeremy S. Williams

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Proposed Attorneys for Debtors and Debtors in Possession

LOCAL RULE 9022-1(C)(2) CERTIFICATION

The undersigned hereby certifies that the foregoing proposed Order has been served upon all necessary parties, which necessary parties consist of the creditors and parties in interest constituting the Core Group, the 2002 List and the Affected Entities, as such terms are defined in that certain Order Establishing Certain Notice, Case Management and Administrative procedures [Docket No. 188] entered by the Court on February 8, 2010. On February 22, 2010, service of the proposed Order was effected on the aforementioned parties by electronic mail, overnight mail and/or first class mail, postage prepaid (only if electronic mail or overnight mail was unavailable).

/s/ Jeremy S. Williams_____