IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
NEBRASKA BOOK COMPANY, INC., *et al.*,[1]	)	Case No. 11-12005 (___)
Debtors.	)	(Joint Administration Requested)

MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (A) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING AND LETTERS OF CREDIT, (B) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (C) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS AND APPROVING THE ADEQUATE PROTECTION STIPULATION, AND (D) SCHEDULING A FINAL HEARING

The above-captioned debtors and debtors in possession (collectively, the "Debtors") file this motion (this "Motion") for entry of an interim order, substantially in the form attached hereto as **Exhibit A** (the "Interim DIP Order"), and a final order (the "Final DIP Order," and together with the Interim DIP Order, the "DIP Orders"), (a) authorizing the Debtors to obtain postpetition financing on a senior secured, priming, superpriority basis; (b) authorizing the Debtors to use Cash Collateral (as defined herein); (c) granting adequate protection to certain Prepetition Secured Lenders (as defined herein) for the priming of their existing liens on the Prepetition Collateral (as defined herein) and the Debtors' use of the Cash Collateral and approving the Adequate Protection Stipulation (as defined herein); and (d) scheduling a final

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: Nebraska Book Company, Inc. (9819); Campus Authentic LLC (9156); College Bookstores of America, Inc. (9518); NBC Acquisition Corp. (3347); NBC Holdings Corp. (7477); NBC Textbooks LLC (1425); Net Textstore LLC (6469); and Specialty Books, Inc. (4807). The location of the debtors' service address is: 4700 South 19th Street, Lincoln, Nebraska 68512.

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hearing to consider entry of the Final DIP Order. In support of the Motion, the Debtors respectfully state as follows.[2]

Jurisdiction

1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105, 361, 362, 363, and 364 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Bankruptcy Rules").

Introduction

4. Prior to filing their pre-arranged chapter 11 cases, the Debtors pre-negotiated the terms of a chapter 11 plan (the "Plan") with the Plan Support Parties (as defined herein). The Debtors also obtained commitments for $200 million in postpetition financing, consisting of a $75 million revolving loan and a $125 million term loan, pursuant to the DIP Agreement (as defined herein) and the Commitment Letter (as defined herein). This financing, together with cash flow from operations, will enable the Debtors to fund the administration of these cases and help pave the way to a smooth and expeditious exit from chapter 11.

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2 The facts and circumstances supporting this Motion are set forth in the *Declaration of Alan G. Siemek of Nebraska Book Company, Inc. In Support of Debtors' Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith and the *Declaration of Todd R. Snyder in Support of the Motion of the Debtors for Entry of Interim and Final DIP Orders (A) Authorizing the Debtors to Obtain Postpetition Financing And Letters of Credit, (B) Authorizing the Debtors To Use Cash Collateral, (C) Granting Adequate Protection to Prepetition Secured Lenders, and (D) Scheduling a Final Hearing*, attached hereto as **Exhibit C** (the "Snyder Declaration").

5. The college and university semester and quarterly schedules drive the Debtors' business cycle and require the Debtors to place large orders and receive large shipments of new textbooks and general merchandise between mid-June and August of each year in advance of the Fall "back-to-school" rush. Historically, the Debtors' general merchandise vendors and the publishers allow the Debtors to purchase textbooks and other merchandise with substantial trade credit. The Debtors' ability to procure the needed textbooks and other merchandise, however, is entirely based on the Debtors' liquidity and the perception of the Debtors' ability to re-pay publishers and general merchandise vendors for providing their products on credit. The Debtors, therefore, must send a clear message that they are a healthy business worthy of trade credit on prepetition terms during their balance sheet restructuring. Indeed, such message may not suffice to preserve prepetition levels of trade credit, thus requiring utilization of the DIP Facility to purchase critical inventory on a timely basis.

6. The approval of the DIP Facility will substantially enhance the Debtors' ability to minimize disruption to their businesses and instill confidence in their various creditor constituencies, including publishers, general merchandise vendors, customers, employees, and service providers, allowing the Debtors to, among other things, continue operating their businesses in the ordinary course, thereby preserving value for the benefit of all stakeholders. As a result, approval of the DIP Facility and authority to continue using Cash Collateral (as defined herein) is necessary for the Debtors to seamlessly transition their business into chapter 11 at this critical stage in their business cycle and ultimately reorganize in a successful and expedient manner.

Summary of Relief Requested

7. By this Motion, the Debtors request entry of the DIP Orders, which among other things, provide the Debtors with the following relief:[3]

- Cash Collateral: authority to use the Debtors' cash on hand, cash proceeds of Prepetition Collateral (as defined herein), and other cash that constitutes the Prepetition Secured Lenders' "cash collateral," as that term is defined in section 363(a) of the Bankruptcy Code (the "Cash Collateral");

- DIP Facility: authority to obtain postpetition loans in a principal amount not to exceed $125 million on an interim basis, and $200 million on a final basis, consisting of a $75 million revolving loan (the "Revolving DIP Loan") and a $125 million term loan (the "Term DIP Loan" and, together with the Revolving DIP Loan, the "DIP Facility") and other financial accommodations, pursuant to the terms and conditions of the Superpriority Debtor-in-Possession Credit Agreement (the "DIP Agreement"), substantially in the form attached hereto as **Exhibit D**. The initial Term DIP Loan proceeds will be used, among other things, to repay the loans outstanding under the First Lien Credit Agreement (defined below);

- LC Facility: authority to issue new letters of credit as well as cause certain letters of credit issued and outstanding prior to the closing date of the DIP Facility (the "Closing Date") pursuant to that certain credit agreement (the "First Lien Credit Agreement") dated as of October 9, 2009, (collectively, with any letters of credit thereafter deemed under the DIP Agreement, the "Letters of Credit") to be deemed to have been issued upon entry of this Order under the DIP Agreement.

- DIP Documents: authority to execute and deliver the DIP Agreement and all agreements, documents, and instruments contemplated by each, including that certain Commitment Letter (the "Commitment Letter"), dated as of June 26, 2011, between the Debtor, the DIP Agent, and certain other DIP Lenders (as defined below) (collectively, the "DIP Documents"), and to take all actions necessary, appropriate, or required to comply with the Debtors' obligations thereunder and under the DIP Orders;

- DIP Liens and Claims: authority to grant the DIP Agent, for its own benefit and the benefit of the DIP Lenders, senior, first priority, priming DIP liens on the DIP Collateral (as defined in the Interim DIP Order) securing, and the superpriority claims in respect of, the DIP Facility (the "DIP Liens");

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[3] This summary is qualified in its entirety by reference to the actual DIP Documents (including as such DIP Documents may be amended in connection with the syndication of the DIP Facility) and the DIP Orders. The DIP Documents and the DIP Orders shall control if there is any conflict between them and this summary.

- Adequate Protection: approval of the Adequate Protection (as defined herein) to be provided to the First Lien Agent (as defined herein) and/or certain of the other Prepetition Secured Lenders, to protect the Prepetition Secured Lenders' interests in the personal and real property of such Debtors constituting "Collateral" under, and as defined in, the First Lien Credit Agreement (together with the Cash Collateral, the "Prepetition Collateral") and approval of the stipulation, attached hereto as **Exhibit B** granting Adequate Protection (the "Adequate Protection Stipulation") between the Debtors and an ad hoc group of holders of Second Lien Notes (as defined herein) holding collectively more than 50% of the outstanding amount of Second Lien Notes (the "Ad Hoc Group"); and

- Final Hearing: a date for a hearing on the Motion to consider entry of the Final DIP Order, to be held no sooner than 14 days after the date of service of this Motion, and no later than 25 days after the Petition Date.

Summary of Principal Terms of DIP Facility

8. Pursuant to Bankruptcy Rules 4001(b), (c), and (d), and Local Bankruptcy Rule 4001-2, the following is a concise statement and summary of the proposed material terms of the DIP Documents and DIP Orders:[4]

MATERIAL TERMS OF THE POSTPETITION FINANCING		
DIP Agreement Parties *Fed. R. Bankr. P. 4001(c)(1)(B)*	**Debtor Parties**:	
	Borrower:	Nebraska Book Company, Inc. (the "Borrower")
	Guarantors:	HoldCo, AcqCo, Specialty Books, Inc., NBC Textbooks LLC, College Bookstores of America, Inc., Campus Authentic LLC, and Net Textstore LLC (collectively, the "Guarantors," and together with the Borrower, the "Loan Parties")
	DIP Lead Arrangers:	JPMorgan Securities LLC
	Administrative Agent:	JPMorgan Chase Bank, N.A. (in such capacity, the "DIP Agent")
	DIP Lenders:	The several banks and other financial institutions or entities from time to time parties to this Agreement (collectively with the DIP Agent, the "DIP Lenders")
	Issuing Lender:	JPMorgan Chase Bank N.A. (in such capacity, the "Issuing Lender")

[4] Capitalized terms used in this statement but not otherwise defined herein shall have the meanings ascribed to such terms in the DIP Documents or DIP Orders, as applicable. This concise statement is qualified in its entirety by reference to the applicable provisions of the DIP Documents (including as such DIP Documents may be amended in connection with the syndication of the DIP Facility) or the DIP Orders, as applicable. To the extent there exists any inconsistency between this concise statement and the provisions of the DIP Documents or the DIP Orders, the provisions of the DIP Documents or the DIP Orders, as applicable, shall control.

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Maturity *Fed. R. Bankr. P. 4001(c)(1)(B)*	The DIP Facility will mature on the first anniversary of the Closing Date. (DIP Agreement, § 1.1)
Purpose *Fed. R. Bankr. P. 4001(c)(1)(B)*	**DIP Facility**. The DIP Facility will be used for working capital purposes, repayment of loans under the First Lien Facility and the cash collateralization of Letters of Credit and the payment of fees and expenses incurred in connection with entering into this DIP Agreement and the transactions contemplated hereby. (DIP Agreement, § 4.16)
Interest Rates *Fed. R. Bankr. P. 4001(c)(1)(B)*	**Interest Rate for Base Rate Revolving DIP Loans**. Base Rate + 2.50% *per annum*. **Interest Rate for Base Rate Term DIP Loan**. Base Rate (with a floor of 2.25%) + 6.0% *per annum* **Interest Rate for EuroLoan Revolving DIP Loans**. Eurodollar Rate + 3.50% *per annum*. **Interest Rate for EuroLoan Term DIP Loans**. Eurodollar Rate (with a floor of 1.25%) + 7.0% *per annum*. **Default Interest Rate**. 2% *per annum* above the then applicable rate. (DIP Agreement, § 2.12)
DIP Commitments *Fed. R. Bankr. P. 4001(c)(1)(B); LBR 4001-2(a)(ii)*	**DIP Agreement**. Total aggregate loan commitment of $200 million to be disbursed as: • Revolving DIP Draw: $75 million • Term DIP Draw: $125 million • Initial DIP Draw: $125 million • Final DIP Draw: Up to $200 million (less the amount of the initial DIP Loan actually borrowed) (DIP Agreement, §§ 1.1, 5.1) **Borrowing Base Formula**. Advances under the Revolving DIP Loans will be limited to the sum of: (a) the product of (i) 85% multiplied by (ii) the Eligible Accounts Receivable of the Loan Parties at such time *minus* the Dilution Reserve, *minus*, without duplication, any other Reserve related to Accounts, *plus* (b) the lesser of (i) the product of (x) 55% (65% during the Peak Period) multiplied by (y) the Eligible Inventory of the Loan Parties, valued at the lower of cost or market value, at such time, *minus*, without duplication, Inventory Reserves and (ii) the product of 85% *multiplied by* the Net Orderly Liquidation Value percentage identified in the most recent inventory appraisal ordered by the DIP Agent *multiplied by* the Eligible Inventory of the Loan Parties, valued at the lower of cost or market value, at such time *minus*, without duplication, Inventory Reserves, *minus* (c) the sum of (i) the Rent Reserve, (ii) the Carve-Out Reserve and (ii) without duplication, any other Reserve in the Permitted Discretion of the DIP Agent. (DIP Agreement, § 1.1)

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Letters of Credit *Fed. R. Bankr. P. 4001(c)(1)(B)*	The Issuing Lender, in reliance on the agreements of the other DIP Lenders, will agree to issue Letters of Credit for the account of the Borrower on any Business Day during the Revolving Credit Commitment Period in such form as may be approved from time to time by the Issuing Lender; *provided* that the Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance (i) the L/C Obligations would exceed the L/C Commitment of $10,000,000, (ii) Revolving Credit Availability would be less than zero or (iii) the Revolving Credit Exposure would exceed $125,000,000 prior to the Second Availability Date. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the date which is five Business Days prior to the Maturity Date. (DIP Agreement, § 3.1)
Funding Conditions *Fed. R. Bankr. P. 4001(c)(1)(B); LBR 4001-2(a)(ii)*	**Initial Availability**. Conditions precedent to initial borrowings under the DIP Facility include: (i) the DIP Agent shall have received the DIP Agreement, executed and delivered by a duly authorized officer of HoldCo, AcqCo and the Borrower; and the Guarantee and Collateral Agreement, executed and delivered by a duly authorized officer of HoldCo, AcqCo, the Borrower, and each Guarantor; (ii) the DIP Agent shall have received a long form good standing certificate for each Debtor from its jurisdiction of organization; (iii) the DIP Lenders shall have received: (a) audited consolidated financial statements of each of AcqCo and the Borrower; (b) unaudited interim consolidated financial statements of AcqCo and the Borrower and such financial statements shall be reasonably satisfactory to the DIP Agent; and (c) the Budget, in form and substance reasonably satisfactory to the DIP Agent; (iv) all material governmental and third party approvals necessary in connection with continuing operations of the Debtors shall have been obtained and be in full force and effect and all applicable waiting periods shall have expired; (v) the DIP Lenders, the DIP Agent, and the DIP Lead Arranger shall have received all fees required to be paid and all expenses for which invoices have been presented, on or before the Closing Date, or such fees and expenses shall have been designated for payment on the Closing Date from proceeds of the DIP Term Loan; (vi) the DIP Agent shall have received the results of a recent lien search in each of the jurisdictions of organization of the Loan Parties, and such search shall reveal no Liens on any of the assets of the Debtors except for Liens permitted by the DIP Agreement or Liens to be discharged on or prior to the Closing Date and the DIP Lead Arranger shall have received and be reasonably satisfied with appraisals of Inventory of the Loan Parties and field exams of the Account, Inventory, and related data processing and other systems of the Loan Parties, in each case from appraisers reasonably satisfactory to the DIP Lead Arranger; (vii) the DIP Agent shall have received a Closing Certificate for each Loan Party; (viii) the DIP Agent shall have received legal opinions from Kirkland and Ellis LLP and local counsel; (ix) the DIP Agent shall have received certificates representing the shares of pledged Capital Stock and each promissory note pledged to the DIP Agent by the pledgor thereof; (x) each document required by the Security Documents or under law or reasonably requested by the DIP Agent to be filed, registered, or recorded in order to create in a perfected Lien shall be in proper form for filing, registration or recordation; (xi) the DIP Agent shall be satisfied with the insurance program to be maintained by AcqCo and its subsidiaries and shall have received satisfactory insurance certificates; (xii) the DIP Agent shall have received a notice setting forth the deposit accounts of the Borrower to which the DIP Lender is authorized by the Borrower to transfer the proceeds of any Borrowings requested or authorized pursuant to the DIP Agreement; (xiii) the DIP Lenders shall have received all documentation requested by the DIP Agent and required under applicable "know your customer" and anti-money laundering rules and regulations at least three days prior to the Closing Date; (xiv) the Interim DIP Order shall have been

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	entered no later than five (5) days after the Petition Date and shall be satisfactory to the DIP Agent; (xv) all first day motions shall be in form and substance reasonably satisfactory to the DIP Agent and the DIP Agent shall be reasonably satisfied with any Cash Collateral arrangements applicable to any material pre-Petition Date secured obligations of the Loan Parties; (xvi) the DIP Agent shall have received a 13-week cash flow projection, which shall be in form and substance reasonably satisfactory to the DIP Agent; and (xvii) certain Letters of Credit outstanding under the First Lien Facility on the Petition Date shall have been cash collateralized at 101% of the face amounts thereof on terms reasonably satisfactory to the DIP Agent. **Full Availability**. Conditions precedent to final borrowings under the DIP Facility include: (i) the Final DIP Order shall be in full force and effect and shall have been entered by the Bankruptcy Court no later than thirty-five (35) days after the Petition Date; (ii) all fees and expenses required to be paid shall have been paid in full in cash; and (iii) the Loan Parties shall have used and shall have caused their respective subsidiaries to use commercially reasonable efforts to obtain ratings on the DIP Facility by Moody's and S&P. (DIP Agreement, §§ 5.1, 5.2)
Fees *Fed. R. Bankr. P. 4001(c)(1)(B)*	**TO BE FILED UNDER SEAL**
Liens, Priorities and Adequate Protection *Fed. R. Bankr. P. 4001(c)(1)(B)(i), (ii); LBR 4001-2(a)(i)(B)*	The Debtors hereby covenant, represent and warrant that, upon entry of the Interim Order (and the Final Order, as applicable), the Obligations of the Debtors hereunder and under the other Loan Documents (including the obligations of the Debtors under the Guarantee and Collateral Agreement), (i) pursuant to Section 364(c)(1) of the Bankruptcy Code, shall at all times constitute allowed Superpriority Claims in the Cases, (ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, shall be secured by a perfected first priority Lien on all Collateral that is otherwise not encumbered by a valid, perfected and non-avoidable Lien as of the Petition Date or a valid Lien perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code, excluding claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code and the proceeds therefrom (it being understood that, notwithstanding such exclusion, upon entry of the Final Order, to the extent approved by the Bankruptcy Court, such Lien shall attach to any proceeds thereof), (iii) pursuant to Section 364(c)(3) of the Bankruptcy Code, shall be secured by a perfected junior Lien upon all Collateral that is subject to (A) valid, perfected and non-avoidable Liens (other than to secure the Debtors' Prepetition Obligations and Liens that are junior to the Liens securing the Debtors' Prepetition Obligations) in existence on the Petition Date or valid Liens perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code and (B) other than as provided in clause (iv) below, post-Petition Date Liens permitted hereunder, and (iv) pursuant to Section 364(d)(1) of the Bankruptcy Code, shall be secured by a perfected first priority senior priming Lien upon all Collateral (x) that is subject to a valid Lien or security interest in effect on the Petition Date to secure the Debtors' Prepetition Obligations, (y) that is subject to a Lien granted after the Petition Date to provide adequate protection in respect of the Debtors' Prepetition Obligations or (z) that is subject to a valid Lien in effect on the Petition Date that is junior to the Liens that secure the Debtors' Prepetition Obligations, subject and subordinate in each case with respect to subclauses (i) through (iv) above, only to the

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	Carve Out. As to all Collateral, including without limitation, all cash, Cash Equivalents and real property the title to which is held by any Debtor, or the possession of which is held by any Debtor in the form of a leasehold interest, each Debtor hereby assigns and conveys as security, grants a security interest in, hypothecates, mortgages, pledges and sets over unto the Administrative Agent, for the benefit of the Lenders and the other holders of the Obligations, all of the right, title and interest of the Borrower and such Guarantor in all of such Collateral, including without limitation, all cash, Cash Equivalents and owned real property and in all such leasehold interests, together in each case with all of the right, title and interest of the Borrower and such Guarantor in and to all buildings, improvements, and fixtures related thereto, any lease or sublease thereof, all general intangibles relating thereto and all proceeds thereof. Notwithstanding anything herein to the contrary, the Collateral shall not include the L/C Cash Collateral, and the Liens granted to the Administrative Agent shall not attach to, the L/C Cash Collateral, and the L/C Cash Collateral shall not be subject to the Superpriority Claims granted to the Lenders. The Borrower and each Guarantor acknowledges that, pursuant to and upon entry of the Orders, the Liens granted in favor of the Administrative Agent (on behalf of the Lenders) in all of the Collateral shall be perfected without the recordation of any UCC financing statements, notices of Lien or other instruments of mortgage or assignment, subject to the terms and conditions set forth in the Orders. The Borrower and each Guarantor further agrees that (a) the Administrative Agent shall have the rights and remedies set forth in Sections 8 and 11 and in the Security Documents and the Orders in respect of the Collateral and (b) if requested by the Administrative Agent, the Borrower and each of the other Debtors shall enter into separate security agreements, pledge agreements and fee and leasehold mortgages with respect to such Collateral on terms reasonably satisfactory to the Administrative Agent. (DIP Agreement, § 2.24) **First Lien Lenders.** For so long as any portion of the First Lien Obligations remains unpaid or outstanding, the First Lien Agent and the First Lien Lenders are entitled, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the First Lien Agent's liens on the Prepetition Collateral (except on any L/C Cash Collateral) by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "First Lien Adequate Protection Obligations"). As adequate protection, the First Lien Agent and the First Lien Lenders are hereby granted the following: (a) As security for the payment of the First Lien Adequate Protection Obligations, the First Lien Agent (for itself and for the benefit of the First Lien Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements, intellectual property filings or other agreements) a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "First Lien Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out and (iii) Non-Primed Liens.

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	(b) The First Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "First Lien 507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims each granted in respect of the DIP Obligations or First Lien Obligations, as applicable. Except to the extent expressly set forth in this Order, the First Lien Agent and the First Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the First Lien 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash. (c) The Debtors are authorized and directed to (a) immediately pay as adequate protection to the First Lien Agent an amount equal to all accrued and unpaid interest on the loans constituting First Lien Obligations at the non-default LIBOR rate under the First Lien Credit Agreement all accrued and unpaid letter of credit fees and all other non-default pre-Petition Date accrued and unpaid fees, charges, costs and disbursements constituting First Lien Obligations owing to the First Lien Agent or the First Lien Lenders under the First Lien Documents, (b) on the last business day of each calendar month after the entry of this Order, pay as adequate protection an amount equal to all accrued and unpaid interest, fees or charges on the loans and other obligations constituting First Lien Obligations at the applicable non-default LIBOR rate (or other applicable non-default rate) set forth in the First Lien Documents (which payments and pricing shall be without prejudice to the rights of the First Lien Agent and any First Lien Lenders to assert a claim for the payment of additional interest or other applicable amounts calculated at any other rates applicable pursuant to the First Lien Credit Agreement, and without prejudice to the rights of the Debtors or other party in interest to contest any such additional claims) subject to Section 506(b) of the Bankruptcy Code and (c) pay to the First Lien Agent all reasonable fees and expenses payable to the First Lien Agent under the First Lien Documents, including without limitation, the reasonable fees and disbursements of one primary counsel, one Delaware counsel, and one financial advisor to the First Lien Agent. None of the fees and expenses payable pursuant to paragraph 16(c) of the Interim DIP Order shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. The Debtors shall pay the fees and expenses provided for in paragraph 16(c) of the Interim DIP Order within ten (10) business days after receipt of reasonably detailed invoices therefor, and the Debtors shall promptly provide copies of such invoices to counsel to the Second Lien Ad Hoc Committee, the Unsecured Notes Ad Hoc Committee, counsel to the Committee, counsel to the JPMorgan Noteholders and the U.S. Trustee. In the event that within ten (10) days from receipt of such invoices the Debtors, the U.S. Trustee, counsel to the Ad Hoc Committee, counsel to the Committee, or counsel to the JPMorgan Noteholders notifies counsel for the First Lien Agent in writing, of an objection to a particular invoice, and the parties are unable to resolve any dispute regarding the fees, costs and expenses included in such invoices, the Debtors, U.S. Trustee, counsel to the Second Lien Ad Hoc Committee, counsel to the Unsecured Notes Ad Hoc Committee, counsel to the Committee and counsel to the JPMorgan Noteholders may file with the Court and serve upon all counsel for the First Lien Agent a written objection to the reasonableness of such fees, costs and expenses. (d) The Debtors shall promptly provide to the First Lien Agent, counsel to the Ad Hoc Committee, and counsel to the JPMorgan Noteholders any written financial information

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	or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders. **Second Lien Noteholders.** The Second Lien Agent and the Second Lien Lenders are entitled, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the Second Lien Agent's liens on the Prepetition Collateral (except on the L/C Cash Collateral) by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "Second Lien Adequate Protection Obligations", together with the First Lien Adequate Protection Obligations, the "Adequate Protection Obligations"). As adequate protection, the Second Lien Agent and the Second Lien Lenders are hereby granted the following: (a) As security for the payment of the Second Lien Adequate Protection Obligations, the Second Lien Agent (for itself and for the benefit of the Second Lien Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, intellectual property filings, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "Second Lien Adequate Protection Liens", together with the First Lien Adequate Protection Liens, the "Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out, (iii) the First Lien Adequate Protection Liens, (iv) the liens securing the First Lien Obligations and (v) the Non-Primed Liens (as defined in the Interim DIP Order); (b) The Second Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "Second Lien 507(b) Claims", together with the First Lien 507(b) Claims, the "507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out, (ii) the Superpriority Claims (as defined in the Interim DIP Order) and (iii) the First Lien 507(b) Claims granted in respect of the DIP Obligations or First Lien Obligations, as applicable. The Second Lien Agent and the Second Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the Second Lien 507(b) Claims unless and until all DIP Obligations, the First Lien Adequate Protection Obligations and the First Lien Obligations shall have indefeasibly been paid in full in cash. In addition to, and notwithstanding anything to the contrary contained in this Order, any Second Lien Adequate Protection Obligations may be satisfied in a plan of reorganization confirmed in the Cases in the manner set forth in the Intercreditor Agreement; (c) To the extent the Second Lien Agent consents to the DIP Loans and the Debtors' use of Cash Collateral, the Debtors are authorized and directed to (a) on the first day of each calendar month after the entry of this Order, commencing on July 1, 2011, provided the DIP Agent shall not have delivered (and not withdrawn) a notice of payment of Default or Event of Default under the DIP Agreement to the Debtors, pay as adequate protection an amount equal to all accrued and unpaid interest on the indebtedness constituting Second Lien Obligations at the applicable non-default rate set

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	Second Lien forth in the Second Lien Documents (which payments and pricing shall be without prejudice to the rights of the Second Lien Agent and any Second Lien Lenders to assert a claim for the payment of additional interest calculated at any other rates applicable pursuant to the Second Lien Credit Agreement, and without prejudice to the rights of the Debtors or other party in interest to contest any such additional claims) subject to Section 506(b) of the Bankruptcy Code and (b) pay to the Second Lien Ad Hoc Committee all reasonable fees and expenses of the Second Lien Ad Hoc Committee, including without limitation, the reasonable fees and disbursements of counsel and financial advisors to the Second Lien Ad Hoc Committee incurred (i) in June 2011 and, (ii) during each month thereafter provided that such reimbursement obligation shall not exceed $75,000 on a current pay basis for any month after June 2011 during the Cases (the "Monthly Current Pay Cap"); *provided, further, however,* that (x) the Second Lien Ad Hoc Committee shall be entitled to any additional fees and disbursements incurred hereunder in excess of the Monthly Current Pay Cap in connection with the conclusion of Cases, so long as such fees and disbursements are reasonable and in any dispute, the Ad Hoc Committee shall bear the burden of proof as to the reasonableness of the fees and disbursements and (y) nothing herein shall (a) require the Debtors to pay fees and expenses of the Second Lien Ad Hoc Committee in connection with litigating the entitlement to payment of interest at the default rate or any makewhole or early termination premium under the Second Lien Indenture; or (b) prohibit any party in interest from objecting to final approval of any payments to the Second Lien Ad Hoc Committee solely with respect to the reasonableness of the fees and disbursements received pursuant to this Section 18(c) or pursuant to any subsequent request for fees and disbursements. None of the fees and expenses payable pursuant to this paragraph 18(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. The Debtors shall pay the fees and expenses provided for in this paragraph 18(c) within ten (10) days after receipt of reasonably detailed invoices therefor, and the Debtors shall promptly provide copies of such invoices to the counsel to the Committee and to the U.S. Trustee. In the event that within ten (10) days from receipt of such invoices the Debtors, the U.S. Trustee, counsel to the Ad Hoc Committee, counsel to the Committee, or counsel to the 11% Noteholders notifies counsel and/or advisors for the Second Lien Ad Hoc Committee, as applicable, in writing, of an objection to a particular invoice, and the parties are unable to resolve any dispute regarding the fees, costs and expenses included in such invoices, the Debtors, U.S. Trustee, counsel to the Ad Hoc Committee, counsel to the Committee and counsel to the 11% Noteholders may file with the Court and serve upon all counsel and/or advisors for the Second Lien Ad Hoc Committee a written objection to the reasonableness of such fees, costs and expenses; and (d) The Debtors shall promptly provide to the Second Lien Agent any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders. (Interim DIP Order, ¶¶ 16, 18)
Carve-Out *LBR 4001-2(a)(i)(F)*	The "Carve-Out" shall mean (a) any fees payable to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to section 1930(a) of title 28 of the United States Code; (b) up to $5,000,000 (the "Carve-Out Cap") of allowed fees, expenses and disbursements of professionals retained by order of this Court, incurred after the occurrence of a Carve-Out Event (defined in this paragraph 7(b) below), plus all unpaid professional fees, expenses and disbursements incurred prior to the

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	Occurrence of a Carve-Out Event and allowed at any time by this Court (regardless of when such fees, expenses and disbursements become allowed by order of this Court); and (c) any expenses incurred by any Chapter 7 trustee, such expenses not to exceed $100,000 in the aggregate. For the purposes hereof, a "Carve-Out Event" shall occur upon the occurrence and during the continuance of an Event of Default under the DIP Agreement or a material breach by the Debtors of this Order and, in each case, upon delivery of a written notice thereof by the DIP Agent to the Debtors and their lead counsel, the counsel for the Second Lien Ad Hoc Committee, the counsel for the Unsecured Notes Ad Hoc Committee, and counsel for the JPMorgan Noteholders specifying that such notice constitutes a "Carve-Out Event" notice (a "Carve Out Notice"). So long as no Carve-Out Event shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees, expenses and disbursements of professionals retained by order of this Court allowed by this Court and payable under Sections 328, 330 and 331 of the Bankruptcy Code. Upon the delivery of a Carve-Out Notice, the right of the Debtors to pay professional fees incurred under clause (b) above without reduction of the Carve-Out in clause (b) above shall terminate and upon receipt of such notice, the Debtors shall provide immediate notice by facsimile and email to all retained professionals informing them that a Carve-Out Event has occurred and that the Debtors' ability to pay professionals is subject to the Carve-Out; provided that (A) the Carve-Out shall not be available to pay any professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, the First Lien Lenders, the First Lien Agent, the Second Lien Lenders or the Second Lien Agent and (B) nothing in this Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates. Immediately upon delivery of a Carve Out Notice, the Debtors shall be required to transfer from their concentration account to a segregated account (the "Carve Out Account") not subject to the control of the Agent an amount equal to the Carve Out Cap. (Interim DIP Order, ¶ 7(b))
Payments on Prepetition Debt *Fed. R. Bankr. P. 4001(c)(1)(B)(ii)*	Subject to the Carve-Out, the Debtors will pay on a monthly basis all interest accruing on (i) the First Lien Facility at the non-default LIBOR rate; and (ii) the Second Lien Notes at the non-default rate. (Interim DIP Order, ¶¶ 16, 18)
Covenants *Fed. R. Bankr. P. 4001(c)(1)(B)*	**Affirmative Covenants**. Usual and customary for financings of this type, including, without limitation: delivery of financial statements, cash flow forecasts, variance reports, hosting of lender conference calls, preservation of corporate existence, maintenance of properties, insurance, and corporate books and records, compliance with laws, and further assurances with respect to collateral. (DIP Agreement, §§ 6.1 - 6.13) **Negative Covenants**. Usual and customary for financings of this type, including, without limitation: limitations on liens, investments, indebtedness (including guarantees), fundamental changes, changes to the nature of the business, sales of assets, restricted payments, modifications of material documents, affiliate transactions, sale and leaseback transactions, changes in fiscal periods, negative pledge clauses, subsidiary distributions, lines of business, activities of AcqCo and HoldCo, swap agreements, chapter 11 claims, minimum liquidity, and minimum cumulative consolidated EBITDA.

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	(DIP Agreement, §§ 7.1-7.18)
Limitations *LBR 4001-2(a)(ii)*	The First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and, subject to and effective upon entry of the Final DIP Order, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the First Lien Agent, First Lien Lenders, the Second Lien Agent and the Second Lien Lenders with respect to (i) proceeds, products, offspring or profits of any of the Prepetition Collateral or (ii) the extension of the Adequate Protection Liens to cover proceeds of the Prepetition Collateral. The Debtors shall use the DIP Loans and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Order and the DIP Documents. Notwithstanding anything herein or in any other order of this Court to the contrary, no DIP Loans, no DIP Collateral, no Prepetition Collateral (including the Cash Collateral) nor the Carve-Out may be used to (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the First Lien Documents, the Second Lien Documents, or the liens or claims granted under this Order, the DIP Documents, the First Lien Documents, or the Second Lien Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders, or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, (c) prevent, hinder or otherwise delay the DIP Agent's, the First Lien Agent's, the Second Lien Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the First Lien Documents, the Second Lien Documents or this Order, (d) seek to modify any of the rights granted to the DIP Agent, the DIP Lenders, First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders hereunder or under the DIP Documents or the First Lien Documents, or the Second Lien Documents, in the case of each of the foregoing clauses (a) through (d), without such party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $100,000 of the Prepetition Collateral (including the Cash Collateral), the DIP Loans, the DIP Collateral or the Carve-Out may be used by the Committee to investigate the validity, enforceability or priority of the First Lien Obligations, the Second Lien Obligations, or the liens on the Prepetition Collateral securing the First Lien Obligations or the Second Lien Obligations, or investigate any Claims and Defenses or other causes action against the First Lien Agent or First Lien Lenders, the Second Lien Agent or the Second Lien Lenders. (Interim DIP Order, ¶¶ 11, 22)
Events of Default *Fed. R. Bankr. P. 4001(c)(1)(B); LBR 4001-2(a)(ii)*	Usual and customary for financings of this type, including, without limitation, non-payment of principal, interest and fees, defaults under affirmative and negative covenants, breaches of representations and warranties, failure to comply with ERISA rules and regulations, change of control, entry of an order granting superpriority claims to other creditors, relief from automatic stay, failure to comply with bankruptcy orders, and invalidation of superpriority claims. (DIP Agreement, § 8.1)

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Acknowledgements *Fed. R. Bankr. P. 4001(c)(1)(B)(iii)*	The Debtors make certain customary admissions and stipulations with respect to (a) the aggregate amount of prepetition indebtedness owing to the Prepetition Secured Lenders, (b) the validity, enforceability and priority of the liens and security interests granted to the First Lien Agent to secure the Prepetition Obligations, (c) the binding nature of the First Lien Obligations in respect of the Debtors, and (d) the waiving of claims and defenses against the First Lien Lenders regarding the First Lien Obligations (Interim DIP Order, ¶ 4); *provided* that the above shall not be binding on any other party in interest if and to the extent such party (a) duly files an adversary proceeding with respect to all or a portion of the above on or before the earlier of (x) 75 days after the Petition Date, and (y) 60 days following the formation of the Committee, and (b) is successful in such adversary proceeding. (Interim DIP Order, ¶ 21)
Automatic Stay *Fed. R. Bankr. P. 4001(c)(1)(B)(iv)*	**DIP Facility.** Five (5) days' prior notice to the Debtors, counsel for the Second Lien Ad Hoc Committee, counsel for the Unsecured Notes Ad Hoc Committee, counsel for the JPMorgan Noteholders, the automatic stay is vacated to permit the exercise of remedies by the DIP Agent and the DIP Lenders to the extent set forth in the DIP Orders. (Interim DIP Order, ¶ 9)
Waivers and Consents *Fed. R. Bankr. P. 4001(c)(1)(B)(v); Fed. R. Bankr. P. 4001(c)(1)(B)(vii-x)*	**Non-Bankruptcy Law**. The DIP Liens, Adequate Protection liens and other interests granted to the DIP Agent, the DIP Lenders or the First Lien Agent are deemed valid, binding, perfected, enforceable, first-priority liens, non-avoidable and not subject to re-characterization or subordination as of the date of the Interim DIP Order. (Interim DIP Order ¶ 4(b)) **Indemnification**. Usual and customary for financings of this type, including that Borrower shall indemnify and hold harmless the DIP Agent and DIP Lead Arranger in their respective capacities as such from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind, in any way relating to the DIP Agreement and related transactions and negotiations. (DIP Agreement, § 9.7) **Section 506(c)**. Subject to and effective upon entry of the Final DIP Order, except to the extent of the Carve-Out, 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 DIP Collateral or the Prepetition Collateral, as the case may be, pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Agent, the First Lien Agent and the Second Lien Agent, as the case may be, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, or the Second Lien Lenders. (Interim DIP Order, ¶ 10)

Key Provisions

9. The DIP Agreement includes certain provisions the Debtors are required to highlight pursuant to Local Bankruptcy Rule 4001-2(a)(i). As discussed in detail herein, the Debtors believe these provisions are reasonable in light of the facts and circumstances of these chapter 11 cases and should be approved.

- **Local Bankruptcy Rule 4001-2(a)(i)(B) – *Validity, Perfection, and Amount of Prepetition Obligations*, Interim DIP Order at ¶ 4, Adequate Protection Stipulation ¶ 5.** As part of the Interim DIP Order, the Debtors agree and stipulate that the First Lien Credit Agreement and the Second Lien Notes Indenture are valid and binding agreements and obligations of the Debtors, and the liens granted pursuant to the First Lien Credit Agreement and the Second Lien Notes Indenture constitute valid, binding, perfected, and enforceable liens, subject only to the permitted exceptions under the First Lien Credit Agreement and the Second Lien Notes Indenture. Additionally, the Debtors have waived, discharged, and released any right they may have to challenge any of their obligations under the First Lien Credit Agreement or the Second Lien Notes Indenture.

- **Local Bankruptcy Rule 4001-2(a)(i)(B) – *Committee Challenge Period*, Interim DIP Order at ¶ 21, Adequate Protection Stipulation ¶ 6.** All non-debtor parties in interest shall have until the earlier of (i) seventy-five (75) days from the Petition Date or (ii) sixty (60) days from the date a committee is first appointed to investigate the validity, enforceability, priority or extent of the obligations under the First Lien Facility, the Second Lien Notes Indenture, or the liens on the Prepetition Collateral securing the obligations under the First Lien Facility or the Second Lien Notes Indenture, and to assert any claims or causes of action against the First Lien Agent, any of the First Lien Lenders, the Second Lien Notes Indenture Trustee, or the Second Lien Noteholders, or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys, or advisors in connection with any matter related to the obligations under the First Lien Facility, the Second Lien Notes Indenture, or the Prepetition Collateral.

- **Local Bankruptcy Rule 4001-2(a)(i)(D) – *Waiver of Section 506(c) Claims*, Interim DIP Order at ¶ 10.** Subject to entry of the Final DIP Order, with the exception of the Carve Out, no expenses of administration of the chapter 11 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 DIP Collateral or the Prepetition Collateral, as the case may be, pursuant to

section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Agent, the First Lien Agent and the Second Lien Indenture Trustee, as the case may be, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Indenture Trustee, or the Second Lien Noteholders.

- **Local Bankruptcy Rule 4001-2(a)(i)(D) – *Liens on Avoidance Actions*, Interim DIP Order at ¶8(a).** The Interim DIP Order provides that subject to entry of the Final DIP Order, the DIP Lenders shall receive fully perfected and unavoidable first-priority senior priming security interests in and liens upon proceeds or property recovered in respect of any Avoidance Actions.

- **Local Bankruptcy Rule 4001-2(a)(i)(E) – *Use of Postpetition Debt from Prepetition Creditor to Pay Such Prepetition Creditors' Prepetition Debt*, Interim DIP Order at ¶ 6(a).** The Interim DIP Order provides that the Debtors shall use the proceeds of the DIP Facility to pay interest, fees, and expenses in connection with the DIP Loans and to repay not less than $26,300,000 in loans made and $3,733,597 in letters of credit issued and outstanding of the obligations under the First Lien Facility (with non-default interest and other non-default fees and charges thereon to the extent payable under the terms of the First Lien Documents (as defined in the Interim DIP Order) in connection with such repayment).

- **Local Bankruptcy Rule 4001-2(a)(i)(F) – *Treatment of Committee Professionals*, Interim DIP Order at ¶ 7(b).** The DIP Agreement provides that any official committee's professional fees are included in the Carve-Out. As discussed above, each the DIP Liens are subject and subordinate to the Carve-Out.

Background

10. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors have requested joint administration of these chapter 11 cases and no official committees have been formed.

11. As set forth in the First Day Declaration, the Debtors are one of the leading providers of new and used textbooks for college students in the United States. The Debtors

provide textbooks to students throughout the country using a sophisticated retail and wholesale distribution network, which includes approximately 280 on- and off-campus "brick and mortar" bookstores, numerous online and interactive channels, and wholesale textbook sales to secondary booksellers.

12. The Debtors have a long history of stable growth, but over the last several years, certain student-buying habits shifted towards online textbook providers, including, most recently, online rental textbook providers, areas outside the Debtors' core business model. Specifically, the Debtors' EBITDA for their off-campus stores peaked in 2008 at approximately $36 million, declined to approximately $31 million in 2009, and eventually fell to $19 million in 2011.

13. Recognizing the need to reposition themselves as the "go-to" source for all textbook and college merchandise needs, the Debtors have aggressively grown their online presence and textbook rental businesses to better fit student buying habits. In particular, the Debtors are implementing a new "Rent Every Book" model that capitalizes on their unique competitive strengths, namely their physical locations, supply of used books, and extensive pricing knowledge. The Debtors also have launched "Neebo.com," a proprietary-branded website that combines approximately 280 individual store websites into a single site and permits the Debtors to have a significant presence in the online marketplace without paying third-party transaction costs. Combining Rent Every Book and Neebo.com permits the Debtors to offer students the products they want, across every medium through which they shop for textbooks, at a competitive price point. In addition, the Debtors plan to continue expanding their on-campus stores and improve their general merchandise assortment and merchandising through the on- and off-campus stores and Neebo.com.

14. While the Debtors are confident that these operational initiatives will stabilize their financial performance and position them in the marketplace for the long-term, the Debtors still faced the near-term maturity of $200 million in secured second lien notes. And, in light of this pending maturity, the Debtors' publishers expressed concern regarding the Debtors' ability to honor their obligations for the "back-to-school" textbook and merchandise purchases. The Debtors engaged each of their lender constituents in negotiations regarding a refinancing or restructuring transaction. Despite their efforts, the Debtors were unable to reach an agreement with all of their lender constituents on an out-of-court refinancing. The Debtors were, however, able to obtain the support of (a) holders of an aggregate amount of over 95% of their 8.625% senior subordinated notes due 2012, (b) holders of over 75% of their 11% senior discount notes due 2013 (such holders, collectively, the "Plan Support Parties") on a consensual in-court transaction through a pre-arranged plan of reorganization. Thus, the Debtors commenced these chapter 11 cases to ensure that they could continue operating their businesses in the ordinary course while they consummate their balance sheet reorganization with the support of the Plan Support Parties.

15. As of December 31, 2010, the Debtors reported assets of approximately $657.2 million in book value and liabilities of approximately $563.9 million in book value. Consolidated revenues for the quarter ending December 31, 2010 were approximately $69.2 million. Consolidated annual revenues for the year ending March 31, 2010 were approximately $605.5 million. The Debtors' employ approximately 2,500 employees.

I. Prepetition Indebtedness.

16. As of December 31, 2010, the Debtors reported approximately $657.2 million in book value of total assets and approximately $564 million in book value of total liabilities. As of the Petition Date, the Debtors have approximately $450 million in funded debt and related

obligations, consisting of (a) secured obligations of $226.3 million under their First Lien Facility and the Second Lien Notes, and (b) unsecured obligations of (i) $175 million under the OpCo Notes, and (ii) $77 million under the AcqCo Notes (each as defined herein). These obligations are discussed in turn.

A. Secured Indebtedness.

1. ABL Revolving Credit Facility.

17. Nebraska Book Company, Inc. ("NBC"), as borrower, NBC Holdings Corp. ("HoldCo"), NBC Acquisition Corp. ("AcqCo"), and all NBC subsidiaries, as guarantors, JP Morgan Chase Bank, N.A., as administrative agent (the "First Lien Agent"), and the lenders party thereto (the "First Lien Lenders") are parties to that certain Amended and Restated First Lien Credit Agreement (as amended, the "First Lien Facility"), dated as of October 2, 2009, as last amended on March 22, 2010.

18. The First Lien Facility provides the Debtors with an asset-based revolving credit facility with $75.0 million of maximum availability. The First Lien Facility is secured by a first priority interest in substantially all of the Debtors' property and assets, in addition to a pledge of all capital stock held by the Debtors. The First Lien Facility matures 91 days prior to the earliest maturity of the Second Lien Notes (as defined herein), or on September 1, 2011. Borrowings under the First Lien Facility are subject to the Eurodollar interest rate (with a 1.5% floor), plus an applicable margin ranging from 4.25% to 4.75%, or a base interest rate. In addition, the applicable margin increases by 1.5% during the time periods from April 15 to June 29 and from December 1 to January 29 of each year. The interest rate as of the Petition Date was 8.25%. As of the Petition Date, approximately $26.3 million was outstanding under the First Lien Facility (including $3.7 million in issued and undrawn letters of credit).

2. Second Lien Notes.

19. NBC, as borrower, and Wilmington Trust FSB (the "Second Lien Notes Indenture Trustee"), as trustee and collateral agent, are parties to that certain indenture (the "Second Lien Notes Indenture"), dated as of October 2, 2009. Pursuant to the Second Lien Notes Indenture, the Debtors issued $200 million senior secured notes at a discount of $1.0 million with unamortized bond discount of $0.5 million (collectively, the "Second Lien Notes" and the noteholders thereunder, the "Second Lien Noteholders," together with the First Lien Lenders, the "Prepetition Secured Lenders"). The Second Lien Notes are secured by a second priority interest in substantially all of the Debtors' property and assets and a subordinated pledge of all capital stock held by the Debtors. The Second Lien Notes require semi-annual interest payments at a fixed rate of 10%. The Second Lien Notes mature on December 1, 2011. Each of NBC's subsidiaries guarantees the Second Lien Notes. As of the Petition Date, the outstanding principal balance of the Second Lien Notes was $200 million.

3. Intercreditor Agreement.

20. The Debtors, the First Lien Agent, and the Second Lien Notes Trustee are parties to that certain intercreditor agreement (the "Intercreditor Agreement"), dated as of October 2, 2009, attached hereto as **Exhibit E**. The Intercreditor Agreement assigned relative priorities to claims arising under the First Lien Facility and the Second Lien Notes Indenture. The Intercreditor Agreement provides that claims arising under the Second Lien Notes Indenture are junior to claims arising under the First Lien Facility. The Intercreditor Agreement also imposes certain limitations on: (a) the rights and remedies available to the Second Lien Noteholders in an event of default under the Second Lien Notes Indenture; (b) the Second Lien Noteholders' ability

to challenge the validity or priority of liens arising under the First Lien Facility; (c) the Second Lien Noteholders' ability to object to debtor-in-possession financing under section 363 or section 364 of the Bankruptcy Code provided or consented to by one or more of the First Lien Lenders; and (d) the extent to which the Second Lien Noteholders may be entitled to request adequate protection during a bankruptcy proceeding.

21. Even in the absence of the Adequate Protection Stipulation, in the event of a bankruptcy proceeding, the Second Lien Noteholders have agreed not to object to use of Cash Collateral permitted by the First Lien Lenders and to subordinate their liens in the Common Collateral (as defined in the Intercreditor Agreement) to secure postpetition financing provided or consented to by one or more of the First Lien Lenders. Specifically, section 5.2 of the Intercreditor Agreement provides that:

> If any Loan Party becomes subject to any Insolvency Proceeding at any time prior to the First Priority Obligations Payment Date, and if the [First Lien Agent] or the other [First Lien Lenders] desire to consent (or not object) to the use of cash collateral under the Bankruptcy Code or to provide financing to any Loan Party under the Bankruptcy Code or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "DIP Financing"), then the Second Priority Representative agrees, on behalf of itself and the other [Second Lien Noteholders], that each [Second Lien Noteholders]:
>
> (a) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such DIP Financing,
>
> (b) will not request or accept adequate protection or any other relief in connection with the use of such cash collateral or such DIP Financing except as set forth in Section 5.4 below,
>
> (c) will subordinate (and will be deemed hereunder to have subordinated) the [Second Lien Noteholders'] Liens on any Common Collateral (i) to such DIP Financing on the same terms as the [First Lien Lenders'] Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection provided to the [First Lien Lenders] and (iii) to any "carve-out" agreed to by the [First Lien Agent] or the other [First Lien Lenders], and

> (d) agrees that notice received two calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice so long as (A) the Second Priority Representative retains its Lien on the Common Collateral to secure the Second Priority Obligations (in each case, including proceeds thereof arising after the commencement of the case under the Bankruptcy Code) and (B) all Liens on Common Collateral securing any such DIP Financing shall be senior to or on a parity with the Liens of the [First Lien Agent] and the [First Lien Lenders] on Common Collateral securing the First Priority Obligations."[5]

See Intercreditor Agreement, § 5.2.

22. The DIP Facility satisfies all of the requirements of section 5.2 of the Intercreditor Agreement. Because the First Lien Lenders are providing the DIP Facility, section 5.2(a) of the Intercreditor Agreement prohibits the Second Lien Noteholders from objecting to the DIP Facility or requesting adequate protection, except as specifically provided for in the Intercreditor Agreement. In addition, the First Lien Lenders' liens and the Second Lien Noteholders' liens will both be subordinated to the new DIP Facility liens, as required by section 5.2(c) of the Intercreditor Agreement. Thus, the Second Lien Noteholders are deemed to consent to the Debtors' access to the DIP Facility and the Debtors' use of Cash Collateral as described in this Motion.

23. In addition, section 5.4(a) of the Intercreditor Agreement provides that the Second Lien Noteholders will not contest the First Lien Lenders' ability to request adequate protection in a bankruptcy proceeding. Section 5.4(b) also provides that the Second Lien Noteholders will not contest any objections made by the First Lien Lenders to any motions based on a claim of a lack of adequate protection. Further, section 5.4(c) provides that the Second Lien Noteholders will not contest the payment of any interest or fees owed to the First Lien Agent or the First Lien Lenders under section 506 of the Bankruptcy Code.

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[5] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Intercreditor Agreement.

24. Even in the absence of the Adequate Protection Stipulation, Section 5.4 of the Intercreditor Agreement also limits the Second Lien Noteholders' ability to request adequate protection of their security interests in the Debtors' assets. In particular section 5.4 provides that the only forms of adequate protection the Second Lien Noteholders may seek are: (a) subordinated replacement liens or (b) superpriority claims that are junior to the superpriority claims granted to the First Lien Lenders. However, the Debtors and the Ad Hoc Group negotiated the terms of the Adequate Protection Stipulation prior to the Petition Date. Pursuant to the Adequate Protection Stipulation, the Ad Hoc Group agreed to direct the Second Lien Notes Indenture Trustee to accept, and not object, to the Debtors providing the Adequate Protection provided for in the Interim DIP Order to the Prepetition Secured Lenders.

4. Other Liens.

25. In the ordinary course of business, the Debtors have incurred certain secured indebtedness, including mortgage liens, as permitted by their prepetition credit facilities (collectively, the "Permitted Encumbrances"). As described more fully below, the Permitted Encumbrances are not subject to the first priority priming liens granted pursuant to the Interim DIP Order.

B. Unsecured Indebtedness.

1. OpCo Notes.

26. NBC, as borrower, and BNY Midwest Trust Company (the "Opco Notes Indenture Trustee"), as trustee, are parties to that certain indenture (the "OpCo Indenture"), dated as of March 4, 2004. Pursuant to the OpCo Indenture, NBC issued $175 million of senior subordinated notes (collectively, the "OpCo Notes"). The OpCo Notes require semi-annual interest payments at a fixed rate of 8.625% and mature on March 15,

2012. The OpCo Notes are guaranteed by each of NBC's subsidiaries, but are unsecured. As of the Petition Date, the outstanding principal balance of the OpCo Notes was $175 million.

2. AcqCo Notes.

27. NBC, as borrower, and BNY Midwest Trust Company, as trustee, are parties to that certain indenture (the "AcqCo Indenture"), dated as of March 4, 2004. Pursuant to the AcqCo Indenture, AcqCo issued $77 million senior discount notes (collectively, the "AcqCo Notes"). The AcqCo Notes require semi-annual interest payments, which began on September 13, 2008, at a fixed interest rate of 11%. The AcqCo Notes mature on March 15, 2013. The AcqCo Notes are not guaranteed by any party and are unsecured. As of the Petition Date, the outstanding principal balance of the AcqCo Notes was approximately $77 million.

II. The Debtors' Marketing Efforts for Postpetition Financing.[6]

28. As described in the Snyder Declaration, on January 24, 2011, the Debtors retained Rothschild, Inc. ("Rothschild") as their financial advisor to assist with their evaluation of strategic alternatives, including a potential restructuring transaction. In the months prior to the Petition Date, the Debtors worked closely with their advisors to explore the capital markets, as well as explore options with incumbent lenders in the Debtors' existing capital structure, in an effort to refinance the Debtors' prepetition debt obligations. For six months, the Debtors and their advisors devoted their efforts to refinancing the Debtors' prepetition debt obligations or amending and extending the Debtors' various notes. Simultaneously searching for potential sources of debtor-in-possession financing would have doomed the potential out-of-court refinancing. Snyder Declaration, ¶ 11.

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[6] This subsection describes the Debtors' efforts to obtain financing, the basis on which the Debtors determined that the proposed financing is on the best terms available, and the material facts bearing on the issue of whether the credit is being extended in good faith.

29. Once it became clear that an out-of-court refinancing was not possible, the Debtors and their advisors entered into extensive, arm's-length negotiations with the First Lien Agent regarding the terms of potential debtor-in-possession financing, due to First Lien Agent's extensive knowledge of the Debtors' business and extensive experience with asset-backed revolving credit facilities, to ensure that the Debtors have sufficient liquidity to continue operations and to preserve the value of their estates. The First Lien Agent's strong syndication desk gave the Debtors comfort that the universe of potential participants in the DIP Facility would be well-canvassed, thereby providing for competition among potential participants and more favorable terms for the Debtors' DIP Facility. Snyder Declaration, ¶ 12.

30. While the Debtors engaged other potential sources of debtor-in-possession financing, the potential lender universe was limited by the fact that many parties with the experience or appetite for lending to textbook companies were already participants in the Debtors' existing First Lien Facility. Further, debtor-in-possession financing from any other source may have required certain consents from the Debtors' Prepetition Secured Lenders as a condition to effectiveness, or would have required a contested priming fight in the first day of these chapter 11 cases. Accordingly, to avoid this high risk of distracting and costly priming and adequate protection disputes, the Debtors determined that a DIP Facility from the existing First Lien Lenders was far and away the most viable alternative.

31. After duly considering other potential sources of debtor-in-possession financing, the Debtors' advisors believe that the DIP Facility is the best debtor-in-possession financing package available to the Debtors. Snyder Declaration, ¶ 14. The DIP Facility provides an attractive financing package, with market terms comparable to those in similar debtor-in-possession financing packages. Snyder Declaration, ¶ 14.

III. The Debtors' Negotiations Regarding the Adequate Protection Stipulation.

32. In addition, prior to the Petition Date, the Debtors and the Ad Hoc Group negotiated the terms of the Adequate Protection Stipulation. Pursuant to the Adequate Protection Stipulation, the Ad Hoc Group consented to the DIP Facility and agreed to the Adequate Protection set forth in the Interim DIP Order and discussed in further detail below.

Basis for Relief

I. The Debtors Should Be Authorized to Obtain Postpetition Financing through the DIP Documents.

A. Entering into the DIP Documents Is an Exercise of the Debtors' Sound Business Judgment.

33. The Court should authorize the Debtors, as an exercise of the Debtors' sound business judgment, to enter into the DIP Documents, obtain access to the DIP Facility, and to continue using the Cash Collateral.

34. Section 364 of the Bankruptcy Code authorizes a debtor to obtain secured or superpriority financing under certain circumstances as described in greater detail below. Provided that an agreement to obtain secured credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code, courts grant a debtor considerable deference in acting in accordance with its sound business judgment in obtaining such credit. *See, e.g.*, *Trans World Airlines, Inc. v. Travellers Int'l AG* (*In re Trans World Airlines, Inc.*), 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving postpetition loan and receivables facility because such facility "reflect[ed] sound and prudent business judgment."); *In re Barbara K. Enters., Inc.*, Case No. 08-11474, 2008 WL 2439649, at *14 (Bankr. S.D.N.Y. June 16, 2008) (explaining that courts defer to a debtor's business judgment "so long as a request for financing does not 'leverage the bankruptcy process' and unfairly cede control of the reorganization to one party in interest."); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) ("[c]ases

consistently reflect that the court's discretion under section 364 [of the Bankruptcy Code] is to be utilized on grounds that permit [a debtor's] reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest."); *In re Farmland Indus., Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003) (noting that approval of postpetition financing requires, inter alia, an exercise of "sound and reasonable business judgment."); *see also Bray v. Shenandoah Fed. Sav. & Loan Assoc. (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986) (stating that "[t]he statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable").

35. Specifically, to determine whether the business judgment standard is met, a court is "required to examine whether a reasonable business person would make a similar decision under similar circumstances." *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006); *see also In re Curlew Valley Assocs.*, 14 B.R. 506, 513-14 (Bankr. D. Utah 1981) (noting that courts should not second guess a debtor's business decision when that decision involves "a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor's] authority under the [Bankruptcy] Code.") (citation omitted).

36. Moreover, where few lenders likely can or will extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff'd sub nom., Anchor Sav. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 120 n.4 (N.D. Ga. 1989); *see also In re Garland Corp.*, 6 B.R. 456, 461 (B.A.P. 1st Cir. 1980) (secured credit under section 364(c)(2) authorized, after notice and a hearing, upon showing that unsecured credit unobtainable); *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981) (bankruptcy court's

finding that two national banks refused to grant unsecured loans was sufficient to support conclusion that section 364 requirement was met); *Ames*, 115 B.R. at 37-39 (debtor must show that it made reasonable efforts to seek other sources of financing under section 364(a) and (b)).

37. The Debtors' execution of the DIP Documents is an exercise of their sound business judgment that warrants approval by the Court. Prior to the Petition Date, the Debtors and their advisors undertook an analysis of the Debtors' projected financing needs during the pendency of these chapter 11 cases, and determined that the Debtors would require significant postpetition financing to support their operational and restructuring activities. Further, while the Debtors' general merchandise vendors and the publishers with whom the Debtors do business typically allow the Debtors to purchase textbooks and other merchandise on credit, the Debtors' ability to continue this practice is dependent upon their having access to sufficient liquidity to assure the general merchandise vendors and the publishers that the Debtors are not a credit risk. Accordingly, the Debtors negotiated the DIP Documents with the DIP Lenders in good faith, at arm's-length, and with the assistance of their advisors, to obtain the required postpetition financing on terms favorable to the Debtors. Based on the advice of counsel and other professionals, and the Debtors' own analysis, the Debtors have determined in their sound business judgment that the DIP Documents provide a greater amount of financing on more favorable terms than any other reasonably available alternative. The Debtors' advisors have canvassed the market to find interested parties to participate in the debtor-in-possession financing and have assisted the Debtors in negotiations to obtain the best terms available to ensure that the DIP Facility was fully subscribed.

38. Specifically, as noted above, the DIP Facility will provide the Debtors with access to up to $125 million immediately after entry of the Interim DIP Order and up to an aggregate

amount of $200 million after entry of the Final DIP Order, which the Debtors and their advisors have independently determined should be sufficient to solidify their credit-worthiness to their publishers and general merchandise vendors and support the Debtors' ongoing operations and reorganization activities through the pendency of these chapter 11 cases. Additionally, the DIP Documents provide the Debtors with access to the Cash Collateral, which relieves the Debtors of the cost of borrowing additional amounts to replace that cash.

B. The Debtors Should Be Authorized to Obtain Postpetition Financing on a Senior Secured and Superpriority Basis.

39. Section 364 of the Bankruptcy Code authorizes a debtor to obtain, in certain circumstances, postpetition financing on a secured or superpriority basis, or both. Specifically, section 364(c) of the Bankruptcy Code provides, in pertinent part, that the Court, after notice and a hearing, may authorize a debtor that is unable to obtain credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code to obtain credit or incur debt:

> (1) with priority over any or all administrative expenses of the kind specified in section 503(b) or 507(b) of [the Bankruptcy Code];
>
> (2) secured by a lien on property of the estate that is not otherwise subject to a lien; or
>
> (3) secured by a junior lien on property of the estate that is subject to a lien.

11 U.S.C. § 364(c).

40. To satisfy the requirements of section 364(c) of the Bankruptcy Code, a debtor need only demonstrate "by a good faith effort that credit was not available" to the debtor on an unsecured or administrative expense basis. *Bray v. Shenandoah Fed. Savs. & Loan Ass'n* (*In re Snowshoe Co.*), 789 F.2d 1085, 1088 (4th Cir. 1986). "The statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable." *Id.*; *see also*

Pearl-Phil GMT (Far East) Ltd. v. Caldor Corp., 266 B.R. 575, 584 (S.D.N.Y. 2001) (superpriority administrative expenses authorized where debtor could not obtain credit as an administrative expense). When few lenders are likely to be able and willing to extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff'd sub nom., Anchor Savs. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 120 n. 4 (N.D. Ga. 1989); *see also Ames Dep't Stores*, 115 B.R. at 40 (approving financing facility and holding that the debtor made reasonable efforts to satisfy the standards of section 364(c) where it approached four lending institutions, was rejected by two, and selected the most favorable of the two offers it received).

41. Rothschild's discussions with various potential sources of debtor-in-possession financing revealed that such financing on a junior or unsecured basis was not available. The Debtors' significant secured debt and lack of unencumbered assets precludes them from obtaining postpetition financing in the amount they require on terms other than on a secured and superpriority basis. The Court should therefore authorize the Debtors to provide the DIP Agent, on behalf of itself and the other DIP Lenders, senior liens on the Debtors' unencumbered property as provided in section 364(c)(2) of the Bankruptcy Code, and junior liens on the Debtors' property that is subject to valid, perfected, and unavoidable liens in existence immediately prior to the Petition Date (other than the Permitted Encumbrances) or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code, as provided in section 364(c)(2) of the Bankruptcy Code; as well as to grant the Debtors' repayment obligations

under the DIP Documents superpriority administrative expense status as provided for in section 364(c)(1) of the Bankruptcy Code.

C. The Debtors Should Be Authorized to Obtain Postpetition Financing Secured by First Priority Priming Liens.

42. In addition to authorizing financing under section 364(c) of the Bankruptcy Code, courts also may authorize a debtor to obtain postpetition credit secured by a lien that is senior or equal in priority to existing liens on the encumbered property, without the consent of the existing lienholders, if the debtor cannot otherwise obtain such credit and the interests of existing lienholders are adequately protected. *See* 11 U.S.C. § 364(d)(1).

43. When determining whether to authorize a debtor to obtain credit secured by a "priming" lien as authorized by section 364(d) of the Bankruptcy Code, courts focus on whether the transaction will enhance the value of the Debtors' assets. Courts consider a number of factors, including, without limitation:

(a) whether alternative financing is available on any other basis (*i.e.*, whether any better offers, bids or timely proposals are before the court);

(b) whether the proposed financing is necessary to preserve estate assets and is necessary, essential and appropriate for continued operation of the debtors' business;

(c) whether the terms of the proposed financing are reasonable and adequate given the circumstances of both the debtors and proposed lender(s); and

(d) whether the proposed financing agreement was negotiated in good faith and at arm's length and entry therein is an exercise of sound and reasonable business judgment and in the best interest of the debtor's estate and its creditors.

See, e.g., *Ames Dep't Stores*, 115 B.R. at 37–39; *Bland v. Farmworker Creditors*, 308 B.R. 109, 113-14 (S.D. Ga. 2003); *Farmland Indus.*, 294 B.R. at 862–79, *In re Lyondell Chem. Co.*, No. 09-10023 (Bankr. S.D.N.Y. Mar. 5, 2009); *Barbara K. Enters.*, 2008 WL 2439649 at *10;

see also 3 Alan N. Resnick & Henry J. Sommer, *Collier on Bankruptcy* ¶ 364.04[1] (16th ed.). The DIP Documents satisfy each of these factors.

44. *First,* as described above, the Debtors and their advisors determined that the DIP Lenders offered the best option for obtaining the postpetition financing the Debtors require. The Debtors conducted arm's-length negotiations with the DIP Lenders regarding the terms of the DIP Facility, and those agreements reflect the most favorable terms on which the DIP Lenders were willing to offer financing. The Debtors are not able to obtain financing on equal or better terms from the DIP Lenders other than financing secured by first priority priming liens.

45. *Second,* the Debtors need the funds to be provided under the DIP Facility to preserve the value of their estates for the benefit of all creditors and other parties in interest. Specifically, the Debtors need the funds to be provided under the DIP Facility to signal to the publishers and the general merchandise vendors that they are credit-worthy and that they should continue to provide their products to the Debtors on substantially the same credit terms as during the prepetition period. Absent the DIP Facility and use of the Cash Collateral, the Debtors will be unable to operate their business or prosecute these chapter 11 cases, and the publishers and general merchandise vendors may refuse to provide textbooks or merchandise unless the Debtors pay for such items in advance. This could result in an immediate liquidity crisis and may force the Debtors to shut down operations and default under virtually all of their on-campus bookstore operating agreements due to an inability to provide the necessary textbooks, which will destroy the Debtors' significant going concern value. Providing the Debtors with the liquidity necessary to preserve their going concern value through the pendency of these chapter 11 cases is in the best interest of all stakeholders.

46. *Third*, upon entry of the Final DIP Order, the DIP Facility will provide the Debtors with access to $200 million in postpetition financing, which the Debtors and their advisors have independently determined is sufficient and, necessary to allow the Debtors to maintain their operations and their relationships with key constituents notwithstanding the commencement of these chapter 11 cases. The DIP Orders also provide the Debtors with continued use of the Cash Collateral, which will maintain the Debtors' ability to access liquidity in the same accounts as prior to the Petition Date, without the disruption or delay that would result if the Debtors were required to set aside that cash and re-fund their accounts with new postpetition borrowings. Accordingly, the terms of the DIP Documents and the DIP Orders are reasonable and adequate to support the Debtors' operations and restructuring activities through the pendency of these chapter 11 cases.

47. *Fourth*, as described in greater detail above and in the Snyder Declaration, the Debtors and the DIP Lenders negotiated the DIP Documents in good faith and at arm's-length, and the Debtors' entry into the DIP Documents is an exercise of their sound business judgment and is in the best interests of their estates, creditors, and other parties in interest.

48. *Fifth*, as described below, the Debtors will provide Adequate Protection for the Prepetition Secured Lenders' interests in the Prepetition Collateral in a manner consistent with the terms agreed to by such parties pursuant to the Intercreditor Agreement, the First Lien Credit Agreement, and the Adequate Protection Stipulation, respectively. Furthermore, pursuant to the Adequate Protection Stipulation, the Ad Hoc Group, on behalf of the Second Lien Noteholders, consented to (a) the use of Cash Collateral; (b) the priming liens; and (c) the Adequate Protection set forth in the Adequate Protection Stipulation and provided for in the Interim DIP Order.

D. The Interests of the Prepetition Secured Lenders Are Adequately Protected.

49. A debtor may obtain postpetition credit "secured by a senior or equal lien on property of the estate that is subject to a lien only if" the debtor, among other things, provides "adequate protection" to those parties whose liens are primed. *See* 11 U.S.C. § 364(d)(1)(B). What constitutes adequate protection is decided on a case-by-case basis, and adequate protection may be provided in various forms, including payment of adequate protection fees, payment of interest, or granting of replacement liens or administrative claims. *See, e.g.*, *In re Continental Airlines Inc.*, 154 B.R. 176, 180-181 (Bankr. D. Del. 1993); *In re Columbia Gas Sys., Inc.*, Nos. 91-803, 91-804, 1992 WL 79323, at *2 (Bankr. D. Del. Feb. 18, 1992); *see also In re Mosello*, 195 B.R. 277, 289 (Bankr. S.D.N.Y. 1996) ("the determination of adequate protection is a fact-specific inquiry . . . left to the vagaries of each case"); *In re Realty Sw. Assocs.*, 140 B.R. 360 (Bankr. S.D.N.Y. 1992); *In re Beker Indus. Corp.*, 58 B.R. 725, 736 (Bankr. S.D.N.Y. 1986) (the application of adequate protection "is left to the vagaries of each case, but its focus is protection of the secured creditor from diminution in the value of its collateral during the reorganization process") (citation omitted).

50. The Debtors have offered a fair and reasonable adequate protection package to the Prepetition Secured Lenders (collectively, the "Adequate Protection"). To the extent not rolled up by the DIP Facility, and subject to the Carve-Out in all respect, the First Lien Lenders shall receive as Adequate Protection:

- a valid, perfected, replacement security interest in and lien on all of the DIP Collateral (the "First Lien Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out, and Non-Primed Liens (as defined in the Interim DIP Order);

- superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "First Lien 507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any

provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331, and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims (as defined in the Interim DIP Order) each granted in respect of the obligations under the DIP Facility or the obligations under the First Lien Facility, as applicable;

- immediate payment, and payment on a monthly basis after entry of the Interim DIP Order, of all interest accruing on the First Lien Facility at the non-default LIBOR rate;

- payment of all reasonable fees and expenses of the First Lien Agent (including the reasonable fees and disbursements of its counsel and financial advisors); and

- any written financial information or periodic reporting provided to, or required to be provided to the DIP Agent or the DIP Lenders.

51. Pursuant to the Adequate Protection Stipulation, the Debtors and the Ad Hoc Group, who represent that they can direct the Second Lien Notes Indenture Trustee, came to an agreement regarding the Adequate Protection to be provided to the Second Lien Noteholders. The Debtors will provide, and the Ad Hoc Group agrees to direct the Second Lien Notes Indenture Trustee to accept, and not object to, the Debtors providing, Adequate Protection pursuant to the Adequate Protection Stipulation and provided for in the Interim DIP Order. The parties have agreed to the following Adequate Protection, subject to the Carve-Out in all respects:

- replacement liens, on all of the Debtors' postpetition property and assets that secure the DIP Facility and the First Lien Facility and liens on all other property and assets of the Debtors that secure the DIP Facility and the First Lien Facility (that do not already secure the Second Lien Notes), which liens will be junior to the liens of the DIP Lenders under the DIP Facility, the Carve-Out, the First Lien Adequate Protection Liens, the liens securing the obligations under the First Lien Facility, and the Non-Primed Liens (as defined in the Interim DIP Order);

- superpriority claims as provided in section 507(b) of the Bankruptcy Code, with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331, and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve Out, (ii) the Superpriority Claims (as

defined in the Interim DIP Order), and (iii) the First Lien 507(b) Claims each granted in respect of the DIP Obligations or First Lien Obligations, as applicable;

- payment on a monthly basis after entry of the DIP Orders, on the first day of each month, commencing on July 1, 2011, of all interest accrued on the Second Lien Notes prior to such payment date, at the non-default rate, which upon receipt by the Second Lien Notes Indenture Trustee shall be taken into account (to the extent it has any impact on the computation pursuant to the terms of the Second Lien Notes Indenture) in determining the computed amount of any makewhole or other early termination premium, including the Makewhole Premium (as defined in the Adequate Protection Stipulation), in accordance with the terms of the Second Lien Notes Indenture;

- payment of all reasonable fees and expenses of the Ad Hoc Group, including the reasonable fees and disbursements of counsel and financial advisors to the Ad Hoc Group incurred (i) in June 2011 and (ii) during each month thereafter provided that such reimbursement obligation shall not exceed $75,000 in the aggregate on a current pay basis for any month after June 2011 during these chapter 11 cases (the "Monthly Current Pay Cap"); *provided, further, however*, that (x) the Ad Hoc Group shall be entitled to payment of any additional fees and disbursements incurred hereunder in excess of the Monthly Current Pay Cap in connection with the conclusion of these chapter 11 cases, so long as such fees and disbursements are reasonable and in any dispute, the Ad Hoc Group shall bear the burden of proof as to the reasonableness of the fees and disbursements and (y) nothing in this Stipulation shall: (a) require the Debtors to pay fees and expenses of the Ad Hoc Group in connection with litigating the entitlement to payment of interest at the default rate or the Makewhole Premium (as defined in the Adequate Protection Stipulation); or (b) prohibit any party in interest from objecting to final approval of any payments to the Ad Hoc Group solely with respect to the reasonableness of the fees and disbursements received pursuant to this Stipulation or pursuant to any subsequent request for fees and disbursements; and

- provision to the Ad Hoc Group of any written financial information or periodic reporting provided, or required to be provided, to the DIP Agent or the DIP Lenders, concurrently with the delivery (or when otherwise required to be delivered) of such financial information or periodic reporting to the DIP Agent or the DIP Lenders.

52. The Adequate Protection summarized above and set forth in the DIP Orders and the Adequate Protection Stipulation is fair and reasonable, and is sufficient to satisfy the requirements of section 364(d)(1)(B) of the Bankruptcy Code. And significantly: (a) the First Lien Agent has consented to the Adequate Protection to be provided to the First Lien Lenders

pursuant to the applicable provisions of the First Lien Credit Agreement and (b) the Ad Hoc Group has consented, on behalf of the Second Lien Noteholders, to the Adequate Protection to be provided to the Second Lien Noteholders. Accordingly, the Court should (a) find that the Adequate Protection is fair and reasonable and satisfies the requirements of section 364(d)(1)(B) of the Bankruptcy Code and (b) approve the Adequate Protection Stipulation.

II. The Debtors Should Be Authorized to Use the Cash Collateral.

53. Section 363(c) of the Bankruptcy Code restricts a debtor's use of a secured creditor's cash collateral. Specifically, that provision provides, in pertinent part, that:

> The trustee may not use, sell, or lease cash collateral . . . unless—
>
> (A) each entity that has an interest in such cash collateral consents; or
>
> (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section [363].

11 U.S.C. § 363(c)(2). Further, section 363(e) provides that "on request of an entity that has an interest in property . . . proposed to be used, sold or leased, by the trustee, the court, with or without a hearing, shall prohibit or condition such use, sale, or lease as is necessary to provide adequate protection of such interest." 11 U.S.C. § 363(e).

54. The Debtors have satisfied the requirements of sections 363(c)(2) and (e), and should be authorized to use the Cash Collateral. *First*, pursuant to the DIP Documents, the First Lien Agent has consented to the Debtors' use of the Cash Collateral. In addition, pursuant to the Adequate Protection Stipulation, the Ad Hoc Group has consented to the Debtors' use of Cash Collateral. Furthermore, even in the absence of the Adequate Protection Stipulation, the Second Lien Noteholders are deemed to consent to the use of the Cash Collateral according to the terms of the Intercreditor Agreement. *See* Intercreditor Agreement at § 5.2.

55. Moreover, courts in this jurisdiction and others have generally held that intercreditor agreements are enforceable. *See In re Elec. Components Int'l, Inc.*, No. 10-11054, 2010 WL 66347116, at *8 (Bankr. D. Del. Apr. 27, 2010) (finding an "intercreditor agreement constitutes a 'subordination agreement' under section 510 and is enforceable on its terms"); *In re TCI 2 Holdings, LLC*, 428 B.R. 117, 140 (Bankr. D.N.J. 2010) (finding section 510 provides that a "subordination agreement is enforceable in a case under this title to the same extent that such agreement is enforceable under applicable nonbankruptcy law"); *In re Curtis Ctr. Ltd. P'ship*, 192 B.R. 648, 660 (Bankr. E.D. Pa. 1996) (finding "the language of the subordination agreement is plain and unambiguous. The terms of this pre-petition agreement are fully enforceable in this Bankruptcy case pursuant to 11 U.S.C. § 510(a)"); *see also In re Boston Generating, LLC*, 440 B.R. 302, 318 (Bankr. S.D.N.Y. 2010) (finding an "[i]ntercreditor [a]greement is an enforceable agreement under section 510(a) of the Bankruptcy Code to the extent that it is a subordination agreement"); *In re Erickson Retirement Cmty, LLC*, 425 B.R. 309, 314 (Bankr. N.D. Tex. 2010) (finding "subordination agreements are fully enforceable"); *Ion Media Networks, Inc.*, 419 B.R. 585, 595 (Bankr. S.D.N.Y. 2009) (finding intercreditor agreements are enforceable contracts under section 510(a) "and the Court will not disturb the bargained-for rights and restrictions governing the second lien debt"); *In re Aerosol Packaging, LLC*, 362 B.R. 43, (Bankr. N.D. Ga. 2006) (finding that "unless the [s]ubordination [a]greement is not enforceable under applicable nonbankruptcy law, the [s]ubordination [a]greement should be enforced by its terms.").

56. *Second*, even in the absence of consent, the Prepetition Secured Lenders' interests in the Cash Collateral are adequately protected in satisfaction of section 363(e) of the

Bankruptcy Code.[7] As described above, the Debtors are providing the Prepetition Secured Lenders with Adequate Protection, which is fair and reasonable, and adequately protects the Prepetition Secured Lenders' interests in the Prepetition Collateral from diminution caused by the DIP Facility, including by the Debtors' use of the Cash Collateral pursuant to the terms thereof. Accordingly, the Court should authorize the Debtors to use the Cash Collateral under section 363(c)(2) of the Bankruptcy Code. In addition, even in the absence of the Adequate Protection Stipulation, the Second Lien Noteholders are prohibited from objecting to the use of Cash Collateral because the First Lien Lenders have consented to such use on the terms provided herein. *See* Intercreditor Agreement at §§ 5.2, 5.4.

III. The Debtors Should Be Authorized to Pay the Fees Required by the DIP Agent and Honor Obligations Under the Commitment Letter.

57. As described above, the Debtors have agreed, subject to Court approval, to pay a syndication fee to the DIP Agent in exchange for the DIP Agent syndicating the DIP Facility. Prior to the Petition Date, the Debtors entered into a fee letter, which formalized the DIP Agent's commitment to syndicate the DIP Facility provided that the Debtors fulfilled certain obligations, including seeking Court approval to pay the fees described above. In addition, prior to the Petition Date, the Debtors entered into the Commitment Letter, which formalized the DIP Agent's commitment to syndicate the DIP Facility provided that the Debtors fulfilled certain obligations, including seeking Court approval to pay the fees described above.

58. The fees the Debtors have agreed to pay to the DIP Agent, and other obligations under the Commitment Letter, together with the other provisions of the DIP Agreement, represent the most favorable terms to the Debtors on which the DIP Agent would agree to make

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[7] The Debtors are not aware of any entity other than the Debtors and the Prepetition Secured Lenders that has or purports to have an interest in the Cash Collateral.

the DIP Facility available. The Debtors considered the syndication fee when determining in their sound business judgment that the DIP Documents constituted the best terms on which the Debtors could obtain the postpetition financing necessary to continue their operations and prosecute these chapter 11 cases, and paying these fees in order to obtain the DIP Facility, is in the best interests of the Debtors' estates, creditors, and other parties in interest.

59. Courts routinely authorize debtors to pay fees similar to those the Debtors propose to pay, where the associated financing is, in the debtor's business judgment, beneficial to the debtors' estates.[8] *See, e.g., In re Sea Launch Co., L.L.C.*, Case No. 09-12153 (BLS) (Bankr. D. Del. May 12, 2010) [Docket No. 697] (approving 3.75% DIP break-up fee); *In re Aleris Int'l. Inc.*, No. 09-10478 (Bankr. D. Del. Mar. 18, 2009) [Docket No. 299] (approving 3.5% exit fee and 3.5% front-end net adjustment against each lender's initial commitment); *In re Dura Auto. Sys., Inc.*, No. 06-11202 (Bankr. D. Del. Jan. 30, 2008) [Docket No. 2696] (approving a 2.5% fees related to refinancing and extending a postpetition financing facility); *see also In re Great Atl. & Pac. Tea Co.*, Case No. 10-24549 (Bankr. S.D.N.Y. Jan. 11, 2011) [Docket No. 479] (approving 3% letter of credit fee); *In re InSight Health Services Holdings Corp.*, Case No. 10-16564 (AJG) (Bankr. S.D.N.Y. Jan. 4, 2011) [Docket No. 105] (approving 2.5% DIP closing fee); *In re NR Liquidation III. Co. (f/k/a Neff Corp.)*, Case No. 10-12610 (SCC) (Bankr. S.D.N.Y. June 30, 2010) [Docket No. 207] (approving 3.1% DIP and exit facility fee); *In re The Reader's Digest Assoc.*, No. 09-23529 (RDD) (Bankr. S.D.N.Y. Oct. 6, 2009) [Docket No. 152] (approving 3% exit fee), *In re Lear Corp.*, No. 14326 (ALG) (Bankr. S.D.N.Y. August 4, 2009) [Docket No. 282] (approving 5.0% up front fee and a 1.0% exit/conversion fee); *In re Gen. Growth Prop., Inc.*, No. 09-11977 (Bankr. S.D.N.Y. May 14, 2009) [Docket No. 527] (approving

[8] Because of the voluminous nature of the orders cited herein, they are not attached to the Motion. Copies of these orders are available on request of the Debtors' counsel.

3.75% exit fee); *In re Tronox Inc.*, No. 09-10156 (Bankr. S.D.N.Y. Feb. 9, 2009) [Docket No. 151] (approving an up-front 3% facility fee). Accordingly, the Court should authorize the Debtors to pay the fees provided under the DIP Documents in connection with entering into those agreements.

IV. The DIP Lenders Should Be Deemed Good Faith Lenders under Section 364(e).

60. Section 364(e) of the Bankruptcy Code protects a good faith lender's right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Section 364(e) provides that:

> The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

11 U.S.C. § 364(e).

61. As explained in detail herein and in the First Day Declaration and the Snyder Declaration, the DIP Documents are the result of the Debtors' reasonable and informed determination that the DIP Lenders offered the most favorable terms on which to obtain needed postpetition financing, and of extended arm's-length, good faith negotiations between the Debtors and the DIP Lenders. The terms and conditions of the DIP Documents are fair and reasonable, and the proceeds of the DIP Facility will be used only for purposes that are permissible under the Bankruptcy Code. Further, no consideration is being provided to any party to the DIP Documents other than as described herein. Accordingly, the Court should find that

the DIP Lenders are "good faith" lenders within the meaning of section 364(e) of the Bankruptcy Code and are entitled to all of the protections afforded by that section.

V. Modification of the Automatic Stay Is Warranted.

62. The proposed Interim DIP Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Agent to exercise, upon the occurrence and during the continuation of any Event of Default, all rights and remedies provided for in the DIP Agreement, and to take various actions without further order of or application to the Court. However, the DIP Agent must provide the Debtors and various other parties, including the U.S. Trustee, with five (5) business days written notice prior to exercising any enforcement rights or remedies in respect of the Collateral or upon a shorter period of time after notice and a hearing.

63. Stay modification provisions of this sort are ordinary and usual features of DIP financing facilities and, in the Debtors' business judgment, are reasonable under the present circumstances. Accordingly, the Court should modify the automatic stay to the extent contemplated by the DIP Agreement and the proposed DIP Orders.

VI. The Debtors Require Immediate Access to the Cash Collateral and DIP Facility.

64. The Court may grant interim relief in respect of a motion filed pursuant to section 363(c) or 364 of the Bankruptcy Code where, as here, interim relief is "necessary to avoid immediate and irreparable harm to the estate pending a final hearing." Fed. R. Bankr. P. 4001(b)(2), (c)(2). In examining requests for interim relief under this rule, courts in this jurisdiction generally apply the same business judgment standard applicable to other business decisions. *See Ames Dep't Stores*, 115 B.R. at 36.

65. Bankruptcy Rule 4001(c)(2) governs the procedures for obtaining authorization to obtain postpetition financing and provides, in relevant part:

> The court may commence a final hearing on a motion for authority to obtain credit no earlier than [15] days after service of the motion. If the motion so requests, the court may conduct a hearing before such [15] day period expires, but the court may authorize the obtaining of credit only to the extent necessary to avoid immediate and irreparable harm to the estate pending a final hearing.

66. In examining requests for interim relief under this rule, courts apply the same business judgment standard applicable to other business decisions. *See, e.g.*, *Ames Dep't Stores*, 115 B.R. at 36; *Simasko*, 47 B.R. at 449. Under this standard, the Debtors' request for entry of the DIP Orders, in the time periods and for the financing amounts requested herein, is appropriate. Moreover, courts in this jurisdiction have granted similar relief in other chapter 11 cases. *See e.g.*, *In re Corrozi-Fountainview, LLC*, Case No. 10-11090 (KG) (Bankr. D. Del. June 6, 2011); *In re Ambassadors Int'l, Inc.*, Case No. 11-11002 (KG) (Bankr. D. Del. Apr. 28, 2011); *In re Atrium Corp.*, Case No. 10-10105 (BLS) (Bankr. D. Del. Mar. 17, 2010); *In re Constar Int'l Inc.*, Case No. 11-10109 (CSS) (Bankr. D. Del Mar. 10, 2011); *In re Appleseed's Intermediate Holdings LLC*, Case No. 11-10160 (KG) (Bankr. D. Del. Feb. 23, 2011) *In re ACG Holdings, Inc.*, Case No. 08-11467 (CSS) (Bankr. D. Del. Jul. 16, 2008); *In re Hilex Poly Holding Co. LLC*, Case No. 08-10890 (KJC) (Bankr. D. Del. May 7, 2008); *In re Holley Performance Prods. Inc.*, Case No. 08-10256 (PJW) (Bankr. D. Del. Feb. 12, 2008); *In re Remy Worldwide Holdings, Inc.*, Case No. 07-11481 (KJC) (Bankr. D. Del. Oct. 10, 2007); *In re Foamex Int'l Inc.*, Case No. 05-12685 (PJW) (Bankr. D. Del. Sept. 20, 2005).

67. The Debtors and their estates will suffer immediate and irreparable harm if the interim relief requested herein, including authorizing the Debtors to use the Cash Collateral and to borrow up to $125 million under the DIP Facility is not granted promptly after the Petition

Date. The Debtors have no material source of liquidity other than the DIP Facility. To operate their business in the ordinary course, the Debtors require access to the DIP Facility to maintain operations and fund their cash management system to a level sufficient to support their business activities. However, substantially all of the Debtors' cash is subject to the dominion of the Prepetition Secured Lenders. Thus, the Debtors have insufficient cash to fund operations without immediate use of Cash Collateral and access to the DIP Facility. Access to the DIP Facility will also hopefully allow the Debtors to continue to procure textbooks and other merchandise on credit from the general merchandise vendors and publishers. The Debtors' ability to procure the textbooks on credit is entirely based on the Debtors' liquidity and the perception of the Debtors' ability to re-pay publishers and general merchandise vendors, for providing their products on credit. The DIP Facility will signal the Debtors' ability to satisfy any and all obligations to publishers and general merchandise vendors during the 2011 back-to-school rush.

68. Further, the Debtors anticipate that the commencement of these chapter 11 cases will significantly and immediately increase the demands on their free cash as a result of, among other things, the costs of administering these chapter 11 cases and addressing key constituents' concerns regarding the Debtors' financial health and ability to continue operations in light of these chapter 11 cases. Accordingly, the Debtors have an immediate need for access to liquidity to, among other things, continue the operation of their business, maintain their relationships with customers, meet payroll, pay capital expenditures, procure goods and services from vendors and otherwise satisfy their working capital and operational needs, all of which is required to preserve and maintain the Debtors' enterprise value for the benefit of all parties in interest.

Request for a Final Hearing

69. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtors request that the Court set a date, which is no sooner than 14 days after the date of this Motion and no later than 25 days after the Petition Date, to hold a hearing to consider entry of the Final DIP Order and the permanent approval of the relief requested in this Motion.[9] The Debtors also request authority to serve a copy of the signed Interim DIP Order, which fixes the time and date for the filing of objections, if any, to entry of the Final DIP Order, by first class mail upon the notice parties listed below, and further request that the Court deem service thereof sufficient notice of the hearing on the Final DIP Order under Bankruptcy Rule 4001(c)(2).

Waiver of Bankruptcy Rule 6004(a) and 6004(h)

70. To implement the foregoing successfully, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of a property under Bankruptcy Rule 6004(h).

Notice

71. The Debtors have provided notice of this Motion to: (a) the Office of the U.S. Trustee for the District of Delaware; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims; (c) counsel to JP Morgan Chase Bank, N.A., in its capacity as agent under the Debtors' asset-backed revolving credit facility; (d) counsel to Wilmington Trust FSB, as indenture trustee under the Debtors' 10% senior secured notes due 2011; (e) BNY Midwest Trust Company, as indenture trustee under the Debtors' (i) 8.625% senior subordinated notes due 2012 and (ii) 11% senior discount notes due 2013; (f) counsel to the ad hoc group of the Debtors' 8.625% senior subordinated notes due 2012; (g) counsel to J.P. Morgan Investment Management Inc., in its capacity as a holder of the Debtors' 8.625% senior

[9] The DIP Documents require that the Final DIP Order be entered no later than 25 days after the Petition Date.

subordinated notes due 2012 and 11% senior discount notes due 2013; (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors respectfully submit that no further notice is necessary.

No Prior Request

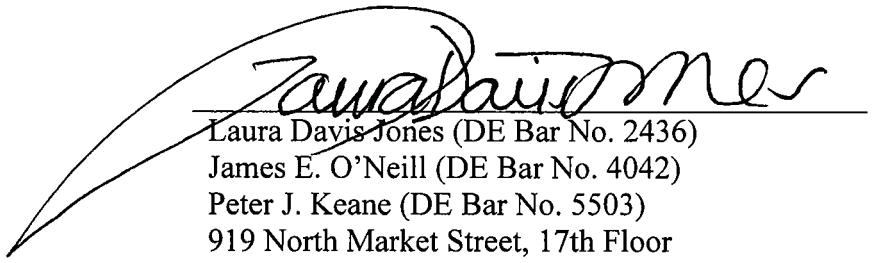
72. No prior motion for the relief requested herein has been made to this or any other court.

[Remainder of Page Intentionally Left Blank]

WHEREFORE, for the reasons set forth herein and in the First Day Declaration and the Snyder Declaration, the Debtors respectfully request that the Court enter the DIP Orders as provided herein, granting the relief requested herein and such other and further relief as the Court deems appropriate.

Wilmington, Delaware
Dated: June 27, 2011

PACHULSKI STANG ZIEHL & JONES LLP



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Proposed Co-Counsel to the Debtors and
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Exhibit A

Proposed Interim DIP Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
NEBRASKA BOOK COMPANY, INC., *et al.*,	)	**Case No. 12005 ([___])**
	)	
Debtors.	)	**Jointly Administered**
	)	

INTERIM ORDER UNDER 11 U.S.C. §§ 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) AND 507 AND BANKRUPTCY RULES 2002, 4001 AND 9014 (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS AND (IV) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULES 4001(b) AND 4001(c)

Upon the motion, dated June 27, 2011 (the "Motion"), of Nebraska Book Company, Inc. (the "Borrower") and certain of its subsidiaries and affiliates, each as debtor and debtor-in-possession (collectively, the "Debtors")[1] in the above-captioned cases (the "Cases") commenced on June 27, 2011 (the "Petition Date") for interim and final orders under sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "Bankruptcy Code"), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), and Rule 4001-2 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Delaware (this "Court") seeking:

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Nebraska Book Company, Inc. (9819); Campus Authentic LLC (9156); College Bookstores of America, Inc. (9518); NBC Acquisition Corp. (3347); NBC Holdings Corp. (7477); NBC Textbooks LLC (1425); Net Textstore LLC (6469); and Specialty Books, Inc. (4807). The location of the Debtors' service address is: 4700 South 19th Street, Lincoln, Nebraska 68512.

(I) authorization for (a) the Borrower to obtain $200,000,000 of postpetition financing consisting of $125,000,000 of term loans (the "Term Loans") and $75,000,000 of revolving loans and letters of credit (such revolving extensions of credit, together with the Term Loans, the "DIP Loans") on the terms and conditions set forth in this interim order (this "Order") and the Credit Agreement (substantially in the form annexed to the Motion as Exhibit A, and as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Agreement"; together with all agreements, documents and instruments executed and delivered in connection therewith, as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Documents"), among the Borrower, NBC Holdings Corp. ("HoldCo"), NBC Acquisition Corp. ("AcqCo"), and JPMorgan Chase Bank, N.A. ("JPMorgan"), as Administrative Agent (in such capacity, the "DIP Agent") for itself and a syndicate of lenders (collectively, the "DIP Lenders"), (b) the Borrower to use the initial proceeds of the Term Loans following entry of this Order to refinance the First Lien Obligations (as defined in paragraph 4(a) below) as set forth below and (c) the other Debtors as guarantors (collectively, with Holdco and AcqCo, the "Guarantors") to guaranty on a secured basis the Borrower's obligations in respect of the DIP Loans;

(II) authorization for the Debtors to execute and deliver the DIP Agreement and the other DIP Documents and to perform such other and further acts as may be necessary or appropriate in connection therewith;

(III) authorization to deem all prepetition letters of credit issued under the First Lien Credit Agreement (as defined below) (the "Prepetition L/Cs") in the approximate

face amount of $3.7 million to have been issued upon entry of this Order, and closing of the DIP Agreement, under the DIP Documents;

(IV) authorization for the Debtors to (a) use the Cash Collateral (as defined in paragraph 14 below) pursuant to section 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined in paragraph 4(b) below), and (b) provide adequate protection to (i) the lenders (including their affiliates to the extent of any obligations owning to such affiliate that are secured under the First Lien Documents (as defined below), collectively, the "First Lien Lenders") under the Amended and Restated Credit Agreement dated as of October 2, 2009, and amended as of March 22, 2010, among the Borrower, HoldCo, AcqCo, the First Lien Lenders and JPMorgan, as administrative agent and collateral agent (in such capacity, the "First Lien Agent") for the First Lien Lenders (as amended, supplemented or otherwise modified, the "First Lien Credit Agreement"; and together with all security, pledge and guaranty agreements and all other documentation executed in connection with any of the foregoing, including without limitation, the Intercreditor Agreement (as defined in paragraph 4(d) below), each as amended, supplemented or otherwise modified, the "First Lien Documents") and; (ii) the lenders (collectively, the "Second Lien Lenders") under the Indenture, dated as of October 2, 2009, among the Borrower, certain of its subsidiaries and Wilmington Trust, FSB, as collateral agent and trustee (in such capacity, the "Second Lien Agent") for the Second Lien Lenders (as amended, supplemented or otherwise modified, the "Second Lien Indenture"; the notes issued thereunder; and together with the Second Lien Indenture and all security, pledge and guaranty agreements and all other documentation executed in connection with the foregoing, including without limitation, the Intercreditor

Agreement, each as amended, supplemented or otherwise modified, the "Second Lien Documents" and the indebtedness owed to the Second Lien Lenders pursuant to the Second Lien Documents, plus accrued and unpaid interest thereon and fees and expenses (including fees and expenses of attorneys and advisors) as provided in the Second Lien Documents, collectively, the "Second Lien Obligations");

(V) authorization for the DIP Agent to exercise remedies under the DIP Documents upon the occurrence and during the continuance of an Event of Default (as defined in the DIP Agreement);

(VI) subject to entry of the Final Order, the waiver by the Debtors of any right to seek to surcharge against the DIP Collateral (as defined in paragraph 8 below) or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code;

(VII) to schedule, pursuant to Bankruptcy Rule 4001, an interim hearing (the "Interim Hearing") on the Motion to be held before this Court to consider entry of this Order (a) authorizing the Borrower, on an interim basis, to borrow under the DIP Agreement $125,000,000 of DIP Loans (not including letters of credit) to be used for working capital and general corporate purposes of the Debtors (including costs related to the Cases), including to repay the First Lien Obligations as set forth above, (b) authorizing the Debtors to use the Cash Collateral and the other Prepetition Collateral, and (c) granting adequate protection to the First Lien Lenders and the Second Lien Lenders; and

(VIII) to schedule, pursuant to Bankruptcy Rule 4001, a final hearing (the "Final Hearing") for this Court to consider entry of a final order (the "Final Order") authorizing and approving on a final basis the relief requested in the Motion, including without

limitation, for the Borrower to borrow the balance of the DIP Loans, for the Debtors to continue to use the Cash Collateral and the other Prepetition Collateral and for the Debtors to grant adequate protection to the First Lien Lenders and the Second Lien Lenders.

The Interim Hearing having been held by this Court on June [__], 2011, and upon the record made by the Debtors at the Interim Hearing, and after due deliberation and consideration and sufficient cause appearing therefor;

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

1. *Jurisdiction.* This Court has core jurisdiction over the Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Notice.* Notice of the Motion, the relief requested therein and the Interim Hearing was served by the Debtors on (i) their thirty largest (on a consolidated basis) unsecured creditors, (ii) the DIP Agent, (iii) the First Lien Agent, (iv) the Second Lien Agent; (v) the counsel for the Second Lien Ad Hoc Committee (as defined below), (vi) the counsel for the Unsecured Notes Ad Hoc Committee (as defined below), (vii) counsel for the 11% Noteholders (as defined below) (viii) the United States Trustee for the District of Delaware (the "U.S. Trustee"); (ix) the Securities and Exchange Commission; (x) the Internal Revenue Service, and (xi) any lessor of real property to the Debtors. Under the circumstances, the notice given by the Debtors of the Motion, the relief requested therein and the Interim Hearing constitutes due and sufficient notice thereof and complies with Bankruptcy Rules 4001(b) and (c), and no further notice of the relief sought at the Interim Hearing is necessary or required.

3. *Approval of Motion.* The relief requested in the Motion is granted as described herein. Except as otherwise expressly provided in this Order, any objection to the entry of this Order that has not been withdrawn, waived, resolved or settled, is hereby denied and overruled on the merits.

4. *Debtors' Stipulations.*[2] Without prejudice to the rights of any other party (but subject to the limitations thereon contained in paragraphs 21 and 22), the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, the Debtors were truly and justly indebted to the First Lien Lenders, without defense, counterclaim or offset of any kind, in the aggregate principal amount of not less than $26,300,000 in loans made and $3,733,597 in letters of credit issued and outstanding in each case provided by the First Lien Lenders pursuant to the First Lien Documents, plus accrued and unpaid interest thereon, any cash management obligations owed to any First Lien Lender and, other fees and expenses (including fees and expenses of attorneys and advisors) as provided in the First Lien Documents and other amounts constituting "Obligations" under the First Lien Documents (collectively, the "First Lien Obligations");

(b) the liens and security interests granted by the Debtors to the First Lien Agent (for the ratable benefit of the First Lien Lenders) to secure the First Lien Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the First Lien Credit Agreement) liens on and security interests in the personal and real property of such Debtors constituting "Collateral" under, and as defined in, the First Lien Credit Agreement

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2 Without prejudice to the rights of the First Lien Agent or any First Lien Lender to file a proof of claim in respect of the First Lien Obligations, the stipulations in this order obviate the need for any such proof of claim and shall be deemed to constitute as of the date hereof a timely filed proof of claim by the First Lien Agent on behalf of itself and the First Lien Lenders on account of their claims arising under the First Lien Documents and hereunder against all Debtors.

(together with the Cash Collateral, the "Prepetition Collateral"), (ii) not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (iii) subject and subordinate only to (A) after giving effect to this Order, the Carve-Out (as defined in paragraph 7(b) below) and the liens and security interests granted to secure the DIP Loans and the First Lien Adequate Protection Obligations (as defined in paragraph 16 below), and (B) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the First Lien Documents to the extent such permitted liens are senior to the liens securing the First Lien Obligations;

(c) (i) no portion of the First Lien Obligations shall be subject to avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (ii) the Debtors do not have, and hereby forever release, any claims, counterclaims, causes of action, defenses or setoff rights whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against the First Lien Agent, the First Lien Lenders, and as to each of the foregoing, their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case in connection with any matter related to the First Lien Obligations, the First Lien Credit Agreement, the First Lien Documents or the financing and transactions contemplated thereby or the Prepetition Collateral.

(d) In connection with the execution and delivery of the First Lien Documents and the Second Lien Documents, the First Lien Agent and the Second Lien Agent entered into that certain Intercreditor Agreement dated as of October 2, 2009 by and among JPMorgan, as administrative agent for the First Priority Secured Parties (as defined in the Intercreditor Agreement), Wilmington Trust, FSB, as collateral agent and trustee for the Second Priority

Secured Parties (as defined in the Intercreditor Agreement), Nebraska Book Company, Inc., as Borrower and certain Loan Parties (as defined in the Intercreditor Agreement) party thereto (the "Intercreditor Agreement"), to set forth the relative lien priorities and other rights and remedies of the First Lien Lenders and the Second Lien Lenders with respect to, among other things, the Prepetition Collateral. Pursuant and subject to a separate stipulation dated as of the date hereof between the Debtors and the Second Lien Ad Hoc Committee, the members of the Second Lien Ad Hoc Committee have agreed that (i) they will be deemed to have consented and raise no objection to the use of the Cash Collateral on the terms provided herein; (ii) they will not request or accept adequate protection other than as set forth herein; (iii) they shall not object, contest, or support any other person objecting to or contesting, any request by the First Lien Lenders for adequate protection or any adequate protection provided to the First Lien Lenders; and (iv) they will subordinate their liens on the Prepetition Collateral to the DIP Liens (as defined in paragraph 8 below) and Adequate Protection Liens (as defined in paragraph 18(a) below) as contemplated herein.

(e) The aggregate value of the Prepetition Collateral securing the First Lien Obligations substantially exceeds the aggregate amount of the First Lien Obligations.

5. *Findings Regarding the DIP Loans.*

(a) Good cause has been shown for the entry of this Order.

(b) The Debtors have an immediate need to obtain the DIP Loans and to use the Prepetition Collateral, including the Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, and make payroll and satisfy other working capital and general corporate purposes of the Debtors (including costs related to the Cases) as set forth herein. Repayment of the First Lien

Obligations as set forth herein with the initial proceeds of the DIP Loans and deeming the Prepetition L/Cs to be outstanding under the DIP Agreement or cash collateralizing them is appropriate because the aggregate value of the Prepetition Collateral securing the First Lien Obligations substantially exceeds the aggregate amount of the First Lien Obligations.

(c) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without granting priming liens under section 364(d)(1) of the Bankruptcy Code and the Superpriority Claims (as defined in paragraph 7(a) below) and repaying in full the First Lien Obligations, except to the extent the Prepetition L/Cs are cash collateralized, in each case on the terms and conditions set forth in this Order and the DIP Documents.

(d) The terms of the DIP Loans and the use of the Prepetition Collateral (including the Cash Collateral) pursuant to this Order are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

(e) The DIP Documents and the use of the Prepetition Collateral (including the Cash Collateral) have been the subject of extensive negotiations conducted in good faith and at arm's length among the Debtors, the DIP Agent, the DIP Lenders, the First Lien Agent and the First Lien Lenders, and all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Documents, this Order and the DIP Loans (collectively, the "DIP Obligations") shall be deemed to have been extended by the DIP Agent and the DIP Lenders in

"good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(f) The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent granting the interim relief set forth in this Order, the Debtors' estates and their business operations will be immediately and irreparably harmed. The borrowing of the DIP Loans and the use of the Prepetition Collateral (including the Cash Collateral) in accordance with this Order and the DIP Documents are, therefore, in the best interest of the Debtors' estates.

6. *Authorization of the DIP Loans and the DIP Documents.*

(a) The Debtors are hereby authorized to enter into and perform under the DIP Documents and, in the case of the Borrower, to borrow under the DIP Agreement pending entry of the Final Order up to an aggregate principal amount of $125,000,000 of the Term Loans under the DIP Agreement for working capital and other general corporate purposes of the Debtors (including costs related to the Cases), including without limitation, to pay interest, fees and expenses in connection with the DIP Loans and to repay in full the principal amount of all loans constituting the First Lien Obligations (with non-default interest and other non-default fees and charges thereon to the extent payable under the terms of the First Lien Documents in connection with such repayment). Upon entry of this Order, and closing of the DIP Agreement, the Prepetition L/Cs shall be deemed issued under the DIP Documents and any obligations in respect thereof owing to any issuing bank automatically shall be deemed owing under the DIP

Documents to such bank and secured by the DIP Liens as if such Prepetition L/Cs were issued under the DIP Documents.

(b) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to perform all acts and to execute and deliver all instruments and documents that the DIP Agent determines to be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including without limitation:

(i) the execution, delivery and performance of the DIP Documents;

(ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in accordance with the terms of the DIP Documents and in such form as the Debtors, the DIP Agent and the DIP Lenders may agree, and no further approval of this Court shall be required for any amendment, waiver, consent or other modification to and under the DIP Documents (and any fees paid in connection therewith) that may be contemplated by the terms of any fee letter executed among the Debtors and the DIP Agent, or any other amendment, waiver, consent or other modification to and under the DIP Documents (and any fees paid in connection therewith) that do not increase the principal amount of the DIP Loans and which is not otherwise material (for purposes hereof, a "material" amendment shall mean any amendment that operates to increase the interest rate payable on or the principal amount of the DIP Loans, shorten the maturity of the DIP Loans, add specific new "Events of Default" under the DIP Documents or otherwise modify any terms and conditions of any DIP Documents in a manner materially adverse to the Debtors); provided, however, that a copy of any such

amendment, waiver, consent or other modification shall be filed by the Debtors with this Court and served by the Debtors on the U.S. Trustee and counsel to the statutory committee of unsecured creditors appointed in the Cases (the "Committee");

(iii) the non-refundable payment to the DIP Agent and the DIP Lenders, as the case may be, of the commitment, underwriting, arranger and administrative agency fees set forth in the DIP Documents as described in the Motion and referred to in one or more fee letters executed among the Debtors and the DIP Agent; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(c) Upon the execution thereof, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Order and the DIP Documents. No obligation, payment, transfer or grant of security by the Debtors under the DIP Documents or this Order shall be voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under sections 502(d) or 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

7. *Superpriority Claims.*

(a) Except to the extent expressly set forth in this Order in respect of the Carve-Out, pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative expense claims (the "Superpriority Claims")

against the Debtors with priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b), 726, 1113 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.

(b) For purposes hereof, the "Carve-Out" shall mean (a) any fees payable to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to section 1930(a) of title 28 of the United States Code; (b) up to $5,000,000 (the "Carve-Out Cap") of allowed fees, expenses and disbursements of professionals retained by order of this Court by the Debtors or any official committee in the Cases, incurred after the occurrence of a Carve-Out Event (defined in this paragraph 7(b) below), plus all unpaid professional fees, expenses and disbursements incurred prior to the occurrence of a Carve-Out Event and allowed at any time by this Court; and (c) *any expenses incurred by any Chapter 7 trustee, such expenses not to exceed $100,000 in the aggregate*. For the purposes hereof, a "Carve-Out Event" shall occur upon the occurrence and during the continuance of an Event of Default under the DIP Agreement or a material breach by the Debtors of this Order and, in each case, upon delivery of a written notice thereof by the DIP Agent to the Debtors and their lead counsel, the counsel for the Second Lien Ad Hoc Committee, the counsel for the Unsecured Notes Ad Hoc Committee, and counsel for the 11% Noteholders specifying that such notice constitutes a "Carve-Out Event" notice (a "Carve-Out Notice"). So long as no Carve-Out Event shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees, expenses and disbursements of

professionals retained by order of this Court allowed by this Court and payable under Sections 328, 330 and 331 of the Bankruptcy Code. Upon the delivery of a Carve-Out Notice, the right of the Debtors to pay professional fees incurred under clause (b) above without reduction of the Carve-Out in clause (b) above shall terminate and upon receipt of such notice, the Debtors shall provide immediate notice by facsimile and email to all retained professionals informing them that a Carve-Out Event has occurred and that the Debtors' ability to pay professionals is subject to the Carve-Out; provided that (A) the Carve-Out shall not be available to pay any professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, the First Lien Lenders, the First Lien Agent, the Second Lien Lenders or the Second Lien Agent and (B) nothing in this Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates. Immediately upon delivery of a Carve Out Notice, the Debtors shall be required to transfer from their concentration account to a segregated account (the "Carve Out Account") not subject to the control of the Agent an amount equal to the Carve Out Cap.

8. *DIP Liens.* As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, intellectual property filings, mortgages or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens are hereby granted by the Debtors to the DIP Agent, for itself and the benefit of the DIP Lenders (all property of the Debtors identified in clauses (a), (b) and (c) below being collectively referred to

as the "DIP Collateral"), subject and subordinate only to the Carve-Out (all such liens and security interests granted to the DIP Agent pursuant to this Order, the "DIP Liens"):

(a) First Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to either (i) valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date, or (ii) a valid lien perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Unencumbered Property"); provided, that the Unencumbered Property shall not include the Debtors' claims and causes of action arising under sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code (the "Avoidance Actions"), but subject to entry of the Final Order, Unencumbered Property shall include any proceeds or property recovered in respect of any Avoidance Actions.

(b) Liens Junior to Certain Existing Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected junior lien on, and security interest in all tangible and intangible prepetition and postpetition property of the Debtors (other than the property described in paragraph 8(c) below, as to which the DIP Liens will have the priority as described in such paragraph), whether now existing or hereafter acquired, that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Non-Primed Liens"), which security interests and liens in favor of the DIP Agent and the DIP Lenders shall be junior to the Non-Primed Liens.

(c) Liens Priming First Lien Lenders' and Second Lien Lenders' Liens. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority, senior priming lien on, and security interest in, all Prepetition Collateral (whether now existing or hereafter acquired). The DIP Liens on the Prepetition Collateral shall be senior in all respects to the security interests in, and liens on, the Prepetition Collateral of (i) the First Lien Agent and the First Lien Lenders (including, without limitation, the First Lien Adequate Protection Liens) and (ii) the Second Lien Agent and the Second Lien Lenders (including, without limitation, the Second Lien Adequate Protection Liens (as defined in paragraph 18(a) below), but shall be junior to any Non-Primed Liens on the Prepetition Collateral.

(d) Liens Senior to Certain Other Liens. The DIP Liens and the Adequate Protection Liens shall not be (i) subject or subordinate 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 liens arising after the Petition Date or (ii) except as set forth in the Intercreditor Agreement, subordinated to or made *pari passu* with any other lien or security interest under sections 363 or 364 of the Bankruptcy Code or otherwise.

9. *Remedies After Event of Default.* The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, (a) immediately upon the occurrence and during the continuance of an Event of Default, all rights and remedies under the DIP Documents, other than those rights and remedies against the DIP Collateral as provided in clause (b) below, and (b) upon the occurrence and during the continuance of an Event of Default, and the giving of five (5) business days' prior written notice to the Debtors (with a copy to counsel to the Debtors, counsel to the

Committee, counsel for the Second Lien Ad Hoc Committee, counsel for the Unsecured Notes Ad Hoc Committee, counsel for the 11% Noteholders and the U.S. Trustee), all rights and remedies against the DIP Collateral provided for in the DIP Documents and this Order (including, without limitation, the right to setoff monies of the Debtors in accounts maintained with the DIP Agent or any DIP Lender). In no event shall the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral. The DIP Agent's or any DIP Lender's delay or failure to exercise rights and remedies under the DIP Documents or this Order shall not constitute a waiver of the DIP Agent's or any DIP Lender's rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the DIP Agreement.

10. *Limitation on Charging Expenses Against Collateral.* Subject to and effective upon entry of the Final Order, except to the extent of the Carve-Out, 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 DIP Collateral or the Prepetition Collateral, as the case may be, pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Agent, the First Lien Agent and the Second Lien Agent, as the case may be, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, or the Second Lien Lenders.

11. *Limitations under Section 552(b) of the Bankruptcy Code.* The First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders shall be entitled to

all of the rights and benefits of section 552(b) of the Bankruptcy Code, and, subject to and effective upon entry of the Final Order, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the First Lien Agent, First Lien Lenders, the Second Lien Agent and the Second Lien Lenders with respect to (i) proceeds, products, offspring or profits of any of the Prepetition Collateral or (ii) the extension of the Adequate Protection Liens to cover proceeds of the Prepetition Collateral.

12. *Payments Free and Clear.* Any and all payments or proceeds remitted to the DIP Agent on behalf of the DIP Lenders or (except as provided in paragraph 21 of this Order) to the First Lien Agent on behalf of the First Lien Lenders or the Second Lien Agent on behalf of the Second Lien Lenders pursuant to the provisions of this Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment or other liability.

13. *First Lien Loans.* In the event the First Lien Obligations hereafter shall be indefeasibly paid in full and in cash in accordance with the terms of the First Lien Documents and no Claims and Defenses (as defined below in paragraph 21) shall have been filed or asserted against then, then, upon such payment, all security interests in, and liens on Prepetition Collateral granted to secure the First Lien Obligations under the First Lien Documents, shall be immediately, and without the necessity of further action, released and terminated (it being understood that the repayment of the First Lien Obligations following entry of this Order as contemplated herein does not constitute payment in full of the First Lien Obligations). The Debtors hereafter may in their discretion, with the DIP Agent's consent, with notice to the counsel for the Second Lien Ad Hoc Committee, the counsel for the Unsecured Notes Ad Hoc Committee and counsel to the 11% Noteholders, and without further notice or Court order, repay

in full and in cash any unpaid First Lien Obligations in accordance with the terms of the First Lien Documents.

14. *The Cash Collateral.* Substantially all of the Debtors' cash, including without limitation, all cash and other amounts on deposit or maintained by the Debtors in any account or accounts with any First Lien Lender and any cash proceeds of the disposition of any Prepetition Collateral, constitute proceeds of the Prepetition Collateral and, therefore, are cash collateral of the First Lien Lenders and, subject to the Intercreditor Agreement, the Second Lien Lenders within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

15. *Use of Prepetition Collateral (Including Cash Collateral).* The Debtors are hereby authorized to use the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date (as defined in the DIP Agreement) for working capital and general corporate purposes (including costs related to the Cases) in accordance with the terms and conditions of this Order; provided that, (a) the First Lien Lenders and the Second Lien Lenders are granted adequate protection as hereinafter set forth and (b) except on the terms of this Order, the Debtors shall be enjoined and prohibited from at any time using the Cash Collateral. By virtue of the First Lien Lenders' consent to the Debtors' use of Cash Collateral as set forth in this Order, pursuant and subject to a separate stipulation dated as of the date hereof between the Debtors and the Second Lien Ad Hoc Committee, the members of the Second Lien Ad Hoc Committee are deemed to have consented to such use of the Cash Collateral. In addition, in exchange for the adequate protection of their interests as set forth below, the First Lien Lenders and the Second Lien Lenders consent to the Debtors' use of Cash Collateral, as well as to all other provisions of this Order.

16. *Adequate Protection for the First Lien Agent and First Lien Lenders.* For so long as any portion of the First Lien Obligations remains unpaid or outstanding, the First Lien Agent and the First Lien Lenders are entitled, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors of the Cash Collateral and any other Prepetition Collateral, the priming of the First Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "First Lien Adequate Protection Obligations"). As adequate protection, the First Lien Agent and the First Lien Lenders are hereby granted the following:

(a) First Lien Adequate Protection Liens. As security for the payment of the First Lien Adequate Protection Obligations, the First Lien Agent (for itself and for the benefit of the First Lien Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements, intellectual property filings or other agreements) a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "First Lien Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out and (iii) Non-Primed Liens.

(b) First Lien Section 507(b) Claims. The First Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "First Lien 507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code,

including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims each granted in respect of the DIP Obligations or First Lien Obligations, as applicable. Except to the extent expressly set forth in this Order, the First Lien Agent and the First Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the First Lien 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash.

(c) Interest, Fees and Expenses. The Debtors are authorized and directed to (a) immediately pay as adequate protection to the First Lien Agent an amount equal to all accrued and unpaid interest on the loans constituting First Lien Obligations at the non-default LIBOR rate under the First Lien Credit Agreement, all accrued and unpaid letter of credit fees and all other non-default pre-Petition Date accrued and unpaid fees, charges, costs and disbursements constituting First Lien Obligations owing to the First Lien Agent or the First Lien Lenders under the First Lien Documents, (b) on the last business day of each calendar month after the entry of this Order, pay as adequate protection an amount equal to all accrued and unpaid interest, fees or charges on the loans and other obligations constituting First Lien Obligations at the applicable non-default LIBOR rate (or other applicable non-default rate) set forth in the First Lien Documents (which payments and pricing shall be without prejudice to the rights of the First Lien Agent and any First Lien Lenders to assert a claim for the payment of additional interest or other applicable amounts calculated at any other rates applicable pursuant to the First Lien Credit Agreement, and without prejudice to the rights of the Debtors or other party in interest to contest any such additional claims) subject to Section 506(b) of the Bankruptcy Code and (c) pay to the First Lien Agent all reasonable fees and expenses payable to the First Lien Agent under the First Lien Documents, including without limitation, the

reasonable fees and disbursements of one primary counsel, one Delaware counsel, and financial advisors to the First Lien Agent. None of the fees and expenses payable pursuant to this paragraph 16(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. The Debtors shall pay the fees and expenses provided for in this paragraph 16(c) within ten (10) business days after receipt of reasonably detailed invoices therefor, and the Debtors shall promptly provide copies of such invoices to counsel to the Second Lien Ad Hoc Committee counsel to the Unsecured Notes Ad Hoc Committee, counsel to the Committee, counsel to the 11% Noteholders and the U.S. Trustee. In the event that within ten (10) days from receipt of such invoices the Debtors, the U.S. Trustee, counsel to the Unsecured Notes Ad Hoc Committee, counsel to the Committee, or counsel to the 11% Noteholders notifies counsel for the First Lien Agent in writing, of an objection to a particular invoice, and the parties are unable to resolve any dispute regarding the fees, costs and expenses included in such invoices, the Court shall hear and determine such dispute.

(d) Information. The Debtors shall promptly provide to the First Lien Agent, counsel to the Unsecured Notes Ad Hoc Committee, and counsel to 11% Noteholders any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders.

17. *Reservation of Rights of First Lien Lenders.* The First Lien Lenders consent to the adequate protection provided herein. Notwithstanding any other provision hereof, the grant of adequate protection to the First Lien Agent and the First Lien Lenders pursuant hereto is without prejudice to the right of the First Lien Agent to seek modification of the grant of

adequate protection provided hereby so as to provide different or additional adequate protection, and without prejudice to the right of the Debtors or any other party in interest (subject, in the case of the Second Lien Agent and the Second Lien Lenders, to the Intercreditor Agreement) to contest any such modification. Except as expressly provided herein, nothing contained in this Order (including without limitation, the authorization to use the Cash Collateral) shall impair or modify any rights, claims or defenses available in law or equity to the First Lien Agent or any First Lien Lender. The consent of the First Lien Agent and the First Lien Lenders to the priming of the First Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the Carve-Out (a) is limited to the DIP Loans and the Carve-Out and (b) does not constitute, and shall not be construed as constituting, an acknowledgement or stipulation by the First Lien Agent or the First Lien Lenders that, absent such consent, their interests in the Prepetition Collateral would be adequately protected pursuant to this Order.

18. *Adequate Protection for the Second Lien Agent and Second Lien Lenders.* The Second Lien Agent and the Second Lien Lenders are entitled, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the Second Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "Second Lien Adequate Protection Obligations", together with the First Lien Adequate Protection Obligations,

the "Adequate Protection Obligations"). As adequate protection, the Second Lien Agent and the Second Lien Lenders are hereby granted the following:

(a) Second Lien Adequate Protection Liens. As security for the payment of the Second Lien Adequate Protection Obligations, the Second Lien Agent (for itself and for the benefit of the Second Lien Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution and/or filing by the Debtors of security agreements, pledge agreements, intellectual property filings, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "Second Lien Adequate Protection Liens", together with the First Lien Adequate Protection Liens, the "Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out, (iii) the First Lien Adequate Protection Liens, (iv) the liens securing the First Lien Obligations and (v) the Non-Primed Liens.

(b) Second Lien 507(b) Claims. The Second Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "Second Lien 507(b) Claims", together with the First Lien 507(b) Claims, the "507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out, (ii) the Superpriority Claims and (iii) the First Lien 507(b) Claims granted in respect of the DIP Obligations or First Lien Obligations, as applicable. The Second Lien Agent and the Second Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the Second Lien 507(b) Claims unless and until all DIP Obligations, the First Lien Adequate Protection Obligations and the First Lien Obligations shall have

indefeasibly been paid in full in cash. In addition to, and notwithstanding anything to the contrary contained in this Order, any Second Lien Adequate Protection Obligations may be satisfied in a plan of reorganization confirmed in the Cases in the manner set forth in the Intercreditor Agreement.

(c) Interest, Fees and Expenses. To the extent the Second Lien Agent consents to the DIP Loans and the Debtors' use of Cash Collateral, the Debtors are authorized and directed to (a) on the first day of each calendar month after the entry of this Order, commencing on July 1, 2011, provided the DIP Agent shall not have delivered (and not withdrawn) a notice of Default or Event of Default under the DIP Agreement to the Debtors, pay as adequate protection an amount equal to all accrued and unpaid interest on the indebtedness constituting Second Lien Obligations at the applicable non-default rate set forth in the Second Lien Documents (which payments and pricing shall be without prejudice to the rights of the Second Lien Agent and any Second Lien Lenders to assert a claim for the payment of additional interest calculated at any other rates applicable pursuant to the Second Lien Credit Agreement, and without prejudice to the rights of the Debtors or other party in interest to contest any such additional claims) subject to Section 506(b) of the Bankruptcy Code and (b) pay to the Second Lien Ad Hoc Committee all reasonable fees and expenses of the Second Lien Ad Hoc Committee, including without limitation, the reasonable fees and disbursements of counsel and financial advisors to the Second Lien Ad Hoc Committee incurred (i) in June 2011 and, (ii) during each month thereafter provided that such reimbursement obligation shall not exceed $75,000 on a current pay basis for any month after June 2011 during the Cases (the "Monthly Current Pay Cap"); *provided, further, however*, that (x) the Second Lien Ad Hoc Committee shall be entitled to payment of any additional fees and disbursements incurred hereunder in

excess of the Monthly Current Pay Cap in connection with the conclusion of Cases, so long as such fees and disbursements are reasonable and in any dispute, the Second Lien Ad Hoc Committee shall bear the burden of proof as to the reasonableness of the fees and disbursements and (y) nothing herein shall (a) require the Debtors to pay fees and expenses of the Second Lien Ad Hoc Committee in connection with litigating the entitlement to payment of interest at the default rate or any makewhole or early termination premium under the Second Lien Indenture; or (b) prohibit any party in interest from objecting to final approval of any payments to the Second Lien Ad Hoc Committee solely with respect to the reasonableness of the fees and disbursements received pursuant to this Section 18(c) or pursuant to any subsequent request for fees and disbursements. None of the fees and expenses payable pursuant to this paragraph 18(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. The Debtors shall pay the fees and expenses provided for in this paragraph 18(c) within ten (10) days after receipt of reasonably detailed invoices therefor, and the Debtors shall promptly provide copies of such invoices to the counsel to the Committee and to the U.S. Trustee. In the event that within ten (10) days from receipt of such invoices the Debtors, the U.S. Trustee, counsel to the Ad Hoc Committee, counsel to the Committee, or counsel to the 11% Noteholders notifies counsel and/or advisors for the Second Lien Ad Hoc Committee, as applicable, in writing, of an objection to a particular invoice, and the parties are unable to resolve any dispute regarding the fees, costs and expenses included in such invoices, the Debtors, U.S. Trustee, counsel to the Ad Hoc Committee, counsel to the Committee and counsel to the 11% Noteholders may file with the

Court and serve upon all counsel and/or advisors for the Second Lien Ad Hoc Committee a written objection to the reasonableness of such fees, costs and expenses.

(d) Information. The Debtors shall promptly provide to the Second Lien Agent and Second Lien Ad Hoc Committee any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders.

19. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) The DIP Agent, the First Lien Agent and the Second Lien Agent are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the DIP Liens and the Adequate Protection Liens granted to them hereunder. Whether or not the DIP Agent, the First Lien Agent or the Second Lien Agent shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the DIP Liens and the Adequate Protection Liens, such DIP Liens and the Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of this Order.

(b) A certified copy of this Order may, in the discretion of the DIP Agent, the First Lien Agent and the Second Lien Agent, as the case may be, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, intellectual property filings, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent, the First Lien Agent, and the Second Lien Agent, as the case may be, all such agreements, financing statements, instruments and other documents as the DIP Agent, the First Lien Agent or the Second Lien Agent, as the case may be, may reasonably request to evidence, confirm, validate or perfect the DIP Liens and the Adequate Protection Liens.

(d) Any provision of any lease or other license, contract or other agreement that requires (i) the consent or approval of one or more landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity, in order for any Debtor to pledge, grant, sell, assign, or otherwise transfer any such leasehold interest, or the proceeds thereof, or other DIP Collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code, and any such provision shall have no force and effect with respect to the granting of the DIP Liens or the Adequate Protection Liens on such leasehold interest or the proceeds of any assignment and/or sale thereof or other DIP Collateral by any Debtor in favor of the DIP Lenders, the First Lien Lenders or the Second Lien Lenders in accordance with the terms of the DIP Documents or this Order.

20. *Preservation of Rights Granted Under the Order.*

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Order to the DIP Agent, the First Lien Agent or, subject to the terms of the Intercreditor Agreement, the Second Lien Agent shall be granted or allowed while any portion of the DIP Obligations or the Adequate Protection Obligations remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or, except as set forth in the Intercreditor Agreement, subordinated to or

made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Unless all DIP Obligations shall have been indefeasibly paid in full in cash in accordance with the terms of the DIP Agreement, in the case of clause (i) below, the Debtors shall not seek, and in the case clauses (i) and (ii) below, it shall constitute an Event of Default under the DIP Agreement and a termination of the right to use the Cash Collateral if any of the Debtors seeks, or if there is entered, (i) any modification of this Order without the prior written consent of the DIP Agent, as applicable, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Agent, or (ii) an order converting or dismissing any of the Cases.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacatur shall, to the extent provided in section 364(e) of the Bankruptcy Code, not affect (i) the validity, priority or enforceability of any DIP Obligations or the Adequate Protection Obligations incurred prior to the effective date of such reversal, stay, modification or vacatur or (ii) the validity, priority or enforceability of the DIP Liens or the Adequate Protection Liens. Notwithstanding any such reversal, stay, modification or vacatur, any use of the Cash Collateral, any DIP Obligations or any Adequate Protection Obligations incurred by the Debtors to the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders, as the case may be, prior to the effective date of such reversal, stay, modification or vacatur shall, to the extent provided in section 364(e) of the Bankruptcy Code, be governed in all respects by the original provisions of this Order, and the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders shall be

entitled to all of the rights, remedies, privileges and benefits granted in section 364(e) of the Bankruptcy Code, this Order, the DIP Documents (with respect to all DIP Obligations), the Adequate Protection Obligations and uses of the Cash Collateral.

(d) Except as expressly provided in this Order or in the DIP Documents, the DIP Liens, the Superpriority Claims, the Adequate Protection Liens, the 507(b) Claims and all other rights and remedies of the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders granted by this Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Cases, or (ii) the entry of an order confirming a plan of reorganization in any of the Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations. The terms and provisions of this Order and the DIP Documents shall continue in the Cases, in any successor cases if the Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the DIP Obligations, the Adequate Protection Obligations, the Superpriority Claims, the Section 507(b) Claims, the other administrative claims granted pursuant to this Order, and all other rights and remedies of the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders granted by this Order and the DIP Documents shall continue in full force and effect until all DIP Obligations are indefeasibly paid in full in cash and all Adequate Protection Obligations are indefeasibly paid in full in cash or otherwise satisfied in accordance with paragraph 16(b) or 18(b), as applicable.

21. *Effect of Stipulations on Third Parties.* The stipulations and admissions contained in this Order, including without limitation, in paragraphs 4 and 14 of this Order, shall be binding upon the Debtors under all circumstances. The stipulations and admissions contained in this Order, including without limitation, in paragraphs 4 and 14 of this Order, shall be binding upon all parties in interest unless (a) any party-in-interest (including the Committee) with standing to do so has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including without limitation, in this paragraph 21) by no later than the earlier of (x) the date that is 75 days after the Petition Date and (y) the date that is 60 days following the formation of the Committee; provided that any such deadline is subject to extension as may be specified by this Court for cause shown, (i) challenging the validity, enforceability, priority or extent of the First Lien Obligations or the liens on the Prepetition Collateral securing the First Lien Obligations or (ii) otherwise asserting or prosecuting any Avoidance Actions or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "Claims and Defenses") against any the First Lien Agent, any of the First Lien Lenders, or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the First Lien Obligations or the Prepetition Collateral and (b) an order is entered and becomes final in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter; provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding or contested matter is timely filed in respect of the First Lien Obligations (x) the First Lien Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination (except with respect to the Second Lien Obligations, as set forth in the Intercreditor Agreement), recharacterization, defense

or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, and to the extent repaid shall be deemed to have been indefeasibly repaid, (y) the liens on the Prepetition Collateral securing the First Lien Obligations shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraphs 4(b) and 4(c), as applicable, not subject to defense, counterclaim, recharacterization, subordination or avoidance and (z) the First Lien Obligations, the First Lien Agent, the First Lien Lenders and the liens on the Prepetition Collateral granted to secure the First Lien Obligations shall not be subject to any other or further challenge by any party-in-interest (including the Committee), and such party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in paragraphs 4 and 14 of this Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on all parties-in-interest (including the Committee), except as to any such findings and admissions that were expressly and successfully challenged in such adversary proceeding or contested matter.

22. *Limitation on Use of DIP Loans and DIP Collateral.* The Debtors shall use the DIP Loans and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Order and the DIP Documents. Notwithstanding anything herein or in any other order of this Court to the contrary, no DIP Loans, no DIP Collateral, no Prepetition Collateral (including the Cash Collateral) nor the Carve-Out may be used to (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the First Lien Documents, the Second Lien Documents or the liens or claims granted

under this Order, the DIP Documents, the First Lien Documents or the Second Lien Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, (c) prevent, hinder or otherwise delay the DIP Agent's, the First Lien Agent's, the Second Lien Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the First Lien Documents, the Second Lien Documents or this Order, (d) seek to modify any of the rights granted to the DIP Agent, the DIP Lenders, First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders hereunder or under the DIP Documents, the First Lien Documents or the Second Lien Documents, in the case of each of the foregoing clauses (a) through (d), without such party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $100,000 of the Prepetition Collateral (including the Cash Collateral), the DIP Loans, the DIP Collateral or the Carve-Out may be used by the Committee to investigate the validity, enforceability or priority of the First Lien Obligations, the Second Lien Obligations or the liens on the Prepetition Collateral securing the First Lien Obligations or the Second Lien Obligations, or investigate any Claims and Defenses or other causes action against the First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders.

23. *Access to Collateral – No Landlord's Liens.* Upon entry of the Final Order, notwithstanding anything contained herein to the contrary and without limiting any other rights

or remedies of the DIP Agent contained in this Order or the DIP Documents, or otherwise available at law or in equity, and subject to the terms of the DIP Agreement, upon written notice to the landlord of any leased premises that an Event of Default has occurred and is continuing under the DIP Documents, the DIP Agent may, subject to any separate agreement by and between such landlord and the DIP Agent, if any, enter upon any leased premises of the Debtors for the purpose of exercising any remedy with respect to the DIP Collateral located thereon and shall be entitled to all of the Debtors' rights and privileges as lessee under such lease without interference from the landlords thereunder; provided that, subject to any such separate agreement, if any, the DIP Agent shall only pay rent of the Debtors that first accrues after the DIP Agent's written notice referenced above and that is payable during the period of such occupancy by the DIP Agent, calculated on a per diem basis. Nothing herein shall require the DIP Agent to assume any lease as a condition to the rights afforded to the DIP Agent in this paragraph.

24. *Insurance.* To the extent the First Lien Agent is listed as loss payee under the Debtors' insurance policies, the DIP Agent is also deemed to be the loss payee under the Debtors' insurance policies and shall act in that capacity and subject to the terms of the DIP Documents, distribute any proceeds recovered or received in respect of any such insurance policies, first, to the payment in full of the DIP Obligations, second, to the payment of the First Lien Obligations and third, to the payment of the Second Lien Obligations.

25. *Master Proof of Claim; Rule 2019.*

(a) To facilitate the processing of claims, to ease the burden upon this Court and to reduce any unnecessary expense to the Debtors' estates, the First Lien Agent is authorized in its discretion to file a single master proof of claim in these procedurally consolidated cases on

behalf of itself and the First Lien Lenders on account of their claims arising under the First Lien Documents and hereunder against all Debtors. The First Lien Agent shall not be required to file a verified statement pursuant to Bankruptcy Rule 2019 in any of the Cases.

(b) Upon filing of any such Master Proof of Claim, the First Lien Agent and each First Lien Lender and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Debtors arising under the First Lien Documents or under this Order and the claims of the First Lien Agent and each First Lien Lender (and each of their respective successors and assigns), named in the applicable Master Proof of Claim shall be allowed or disallowed as if each such entity had filed a separate proof of claim in each of the Cases in the amount set forth in the applicable Master Proof of Claim; provided that the First Lien Agent may, but shall not be required to, amend the applicable Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any such claims.

(c) The provisions set forth in paragraphs (a) and (b) above and the Master Proofs of Claim are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proofs of Claim shall affect the substantive rights of the Debtors, the First Lien Agent, the First Lien Lenders or any other party in interest or their respective successors in interest, including without limitation, the right of each First Lien Lender to vote separately on any plan of reorganization proposed in the Cases.

26. *Order Governs.* In the event of any inconsistency between the provisions of this Order and the DIP Documents, the provisions of this Order shall govern.

27. *Binding Effect; Successors and Assigns.* The DIP Documents and the provisions of this Order, including all findings herein, shall be binding upon all parties-in-interest in the Cases, including without limitation, the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders, and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner with expanded powers appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Order, the DIP Agent, the First Lien Agent, the Second Lien Agent, the DIP Lenders, the First Lien Lenders and the Second Lien Lenders shall have no obligation to permit the use of the DIP Loans or the Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

28. *Limitation of Liability.* In determining to make any loan under the DIP Agreement, permitting the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Order or the DIP Documents, the DIP Agent, the First Lien Agent, the Second Lien Agent, the DIP Lenders, the First Lien Lenders and the Second Lien Lenders shall, subject to and effective upon entry of the Final Order, not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or

operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders of any liability for any claims arising from the pre-petition or post-petition activities of any of the Debtors.

29. *Intercreditor Agreement.* Nothing in this Order shall amend or otherwise modify the terms or enforceability of the Intercreditor Agreement, including without limitation, the turnover provisions contained therein, and the Intercreditor Agreement shall remain in full force and effect. The rights, benefits and privileges of the First Lien Lenders and the Second Lien Lenders hereunder shall at all times remain subject to the Intercreditor Agreement.

30. *Effectiveness.* This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon entry hereof, and there shall be no stay of effectiveness of this Order.

31. *Final Hearing.* The Final Hearing is scheduled for July __, 2011 at _____ __.m., prevailing Eastern time, before this Court.

32. *Final Hearing Notice.* The Debtors shall promptly serve copies of this Order (which shall constitute adequate notice of the Final Hearing) on the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court and to the Committee after the same has been appointed, or Committee counsel, if the same shall have been appointed. Any party-in-interest objecting to the relief sought at the Final

Hearing shall serve and file written objections; which objections shall be served upon (a) Kirkland and Ellis LLP, 601 Lexington Avenue, New York, New York 10022-4611, Attention: Marc Kieselstein, P.C., Leonard Klingbaum, Esq., and Chad J. Husnick, Esq., attorneys for the Debtors, (b) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attention: Peter Pantaleo, Esq., attorneys for the DIP Agent and the First Lien Agent, (c) Brown Rudnick, Seven Times Square, New York, NY 10036, Attention: Edward Weisfelner Esq., attorneys for the ad hoc committee for the holders of the notes under the Second Lien Indenture (the "Second Lien Ad Hoc Committee"), (d) Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005-1413, Attention: Matthew Barr, Esq. and Samuel Khalil, Esq., attorneys for the ad hoc committee of holders of 8.625% unsecured notes (the "Unsecured Notes Ad Hoc Committee"), (e) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019-6099, Attention: Marc Abrams, Esq. and Rachel C. Strickland, Esq., attorneys for certain holders of the 11% unsecured notes (the "11% Noteholders"), (f) counsel to the Committee and (g) the office of the U.S. Trustee, and shall be filed with the Clerk of the Bankruptcy Court, in each case to allow actual receipt by the foregoing no later than July __, 2010 at _____ __.m., prevailing Eastern time.

Dated: June ___, 2011
New York, New York

UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Adequate Protection Stipulation

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
NEBRASKA BOOK COMPANY, INC., *et al.*,[1]	)	Case No. 11-12005 (___)
Debtors.	)	(Joint Administration Requested)

STIPULATION, AGREEMENT, AND FINAL ORDER GRANTING ADEQUATE PROTECTION UNDER SECTIONS 361, 362, 363, AND 507 OF THE BANKRUPTCY CODE

The above-captioned debtors and debtors in possession (collectively, the "Debtors") and an ad hoc group of holders of Second Lien Notes (as defined below) holding collectively more than 50% of the outstanding amount of Second Lien Notes (such group the "Ad Hoc Group," and together with the Debtors, the "Parties") under the Second Lien Notes Indenture (as defined below), hereby submit this stipulation, agreement, and final order (this "Stipulation") approving the provision of adequate protection to the Second Lien Noteholders (as defined below) and the other stipulations and agreements set forth herein. In support of this Stipulation, the Parties respectfully state as follows.[2]

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1 The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: Nebraska Book Company, Inc. (9819); Campus Authentic LLC (9156); College Bookstores of America, Inc. (9518); NBC Acquisition Corp. (3347); NBC Holdings Corp. (7477); NBC Textbooks LLC (1425); Net Textstore LLC (6469); and Specialty Books, Inc. (4807). The location of the debtors' service address is: 4700 South 19th Street, Lincoln, Nebraska 68512.

2 The facts and circumstances supporting this Stipulation are set forth in the *Declaration of Alan G. Siemek of Nebraska Book Company, Inc. In Support of Debtors' Chapter 11 Petitions and First Day Motions* (the "First Day Declaration"), filed contemporaneously herewith.

RECITALS

A. *Petition Date.* On June 27, 2011 (the "Petition Date"), each of the Debtors filed these voluntary cases in this Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 ("Bankruptcy Code").

B. *Debtors in Possession.* The Debtors are continuing in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

C. *Jurisdiction and Venue.* This Court has jurisdiction over the Motion as a core proceeding, and over the affected parties and property pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409.

D. *No Official Committees.* No official committees have been appointed in these chapter 11 cases as of the date of this filing.

E. *Restructuring Support Agreement.* The Debtors and certain holders of (1) their 8.625% notes due 2012 and (2) 11% notes due 2011 (collectively, the "Plan Support Parties") are party to that certain restructuring and support agreement (as in effect on the date hereof, the "Restructuring Support Agreement"), dated as of June 26, 2011, which governs the terms under which the Plan Support Parties will support a consensual plan of reorganization in these chapter 11 cases.

F. *Second Lien Notes.* Debtor Nebraska Book Company, Inc. ("NBC"), as borrower, and Wilmington Trust FSB (the "Second Lien Notes Indenture Trustee"), as trustee and collateral agent, are parties to that certain indenture (the "Second Lien Notes Indenture"), dated as of October 2, 2009. Pursuant to the Second Lien Notes Indenture, the Debtors issued $200 million of senior secured notes at a discount of $1.0 million with unamortized bond

discount of $0.5 million (collectively, the "Second Lien Notes" and the noteholders thereunder, the "Second Lien Noteholders"). The Second Lien Notes are secured by a second priority interest in substantially all of the Debtors' property and assets and a subordinated pledge of all capital stock held by the Debtors. The Second Lien Notes require semi-annual interest payments at a fixed rate of 10% per annum. The Second Lien Notes mature on December 1, 2011. Each of NBC's subsidiaries guarantees the Second Lien Notes. As of the Petition Date, the outstanding principal balance of the Second Lien Notes was $200 million.

G. *Second Lien Makewhole Premium.* The Second Lien Note Indenture states that prior to December 1, 2011, the Company may redeem the Second Lien Notes at a redemption price equal to 100% of the principal amount outstanding on account of the Second Lien Notes plus an additional premium (the "Makewhole Premium"), as described in more detail in Exhibit A to the Second Lien Notes Indenture. *See* Second Lien Notes Indenture, § 1.1 (definition of "Applicable Premium"); *see also* Exhibit A to Second Lien Notes Indenture, § 6.

H. *Intercreditor Agreement.* The Debtors, the agent (the "First Lien Agent") under the Debtors' first lien asset-backed revolving credit facility (the "First Lien Facility," and such lenders thereunder, the "First Lien Lenders"), and the Second Lien Notes Indenture Trustee are parties to that certain intercreditor agreement (the "Intercreditor Agreement"), dated as of October 2, 2009. The Intercreditor Agreement assigns relative priorities to claims arising under the First Lien Facility and the Second Lien Notes Indenture. In addition, prior to the First Priority Obligations Payment Date (as defined in the Intercreditor Agreement), the Intercreditor Agreement imposes certain limitations on: (1) the rights and remedies available to the Second Lien Noteholders in connection with the occurrence of an event of default under the Second Lien Notes Indenture; (2) the Second Lien Noteholders' ability to challenge the validity or priority of

liens arising under the First Lien Facility; (3) the Second Lien Noteholders' ability to object to debtor-in-possession financing under section 363 or section 364 of the Bankruptcy Code provided or consented to by the First Priority Representative (as defined in the Intercreditor Agreement); and (4) the extent to which the Second Lien Noteholders may be entitled to request adequate protection during a bankruptcy proceeding.

I. *Debtor-in-Possession Financing.* In connection with the commencement of these chapter 11 cases, the Debtors are seeking entry of interim and final orders (the "Interim DIP Order" and "Final DIP Order" respectively, and collectively, the "DIP Orders") authorizing the Debtors to, among other things, obtain access to postpetition debtor-in-possession financing and continued use of cash collateral (the "DIP Facility") and provide adequate protection to the First Lien Lenders and the Second Lien Noteholders.

J. *Priming Liens Under Debtor-in-Possession Financing.* Pursuant to the Intercreditor Agreement, in the event of a bankruptcy proceeding and to the extent prior to the First Priority Obligations Payment Date, the Second Lien Noteholders have agreed: (1) not to object to use of cash collateral permitted by the First Lien Lenders; and (2) to subordinate their liens in the Common Collateral (as defined in the Intercreditor Agreement) to secure postpetition financing provided by the lenders providing the DIP Financing. Specifically, section 5.2 of the Intercreditor Agreement provides that:

> If any Loan Party becomes subject to any [i]nsolvency [p]roceeding at any time prior to [payment of all outstanding obligations owed to the First Lien Lenders], and if the [First Lien Agent] or the other [First Lien Lenders] desire to consent (or not object) to the use of cash collateral under the Bankruptcy Code or to provide financing to [the Debtors] under the Bankruptcy Code or to consent (or not object) to the provision of such financing to [the Debtors] by any third party (any such financing, "DIP Financing"), then the [Second Lien Notes Indenture Trustee] agrees, on behalf of itself and the other [Second Lien Noteholders], that each [Second Lien Noteholder]:

(a) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such DIP Financing,

(b) will not request or accept adequate protection or any other relief in connection with the use of such cash collateral or such DIP Financing except as set forth in Section 5.4 [of the Intercreditor Agreement],

(c) will subordinate (and will be deemed hereunder to have subordinated) the [Second Lien Noteholders'] [l]iens on any Common Collateral (i) to such DIP Financing on the same terms as the [First Lien Lenders'] [l]iens are subordinated thereto (and such subordination will not alter in any manner the terms of [the Intercreditor Agreement]), (ii) to any adequate protection provided to the [First Lien Lenders] and (iii) to any "carve-out" agreed to by the [First Lien Agent] or the other [First Lien Lenders], and

(d) agrees that notice received two calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice so long as (A) the [Second Lien Notes Indenture Trustee] retains its [l]ien on the Common Collateral to secure the [obligations outstanding to the Second Lien Noteholders] (in each case, including proceeds thereof arising after the commencement of the case under the Bankruptcy Code) and (B) all [l]iens on Common Collateral securing any such DIP Financing shall be senior to or on a parity with the Liens of the [First Lien Agent] and the [First Lien Lenders] on Common Collateral securing all outstanding obligations owed to the First Lien Lenders].

Intercreditor Agreement, § 5.2.

K. *First Lien Adequate Protection.* Section 5.4(a) of the Intercreditor Agreement provides that, prior to the First Priority Obligations Payment Date, the Second Lien Noteholders will not contest the First Lien Lenders' ability to request adequate protection in a bankruptcy proceeding. Section 5.4(b) also provides that, prior to the First Priority Obligations Payment Date, the Second Lien Noteholders will not contest any objections made by the First Lien Lenders to any motions based on a claim of a lack of adequate protection in the Common Collateral. Further, section 5.4(c) provides that, prior to the First Priority Obligations Payment Date, the Second Lien Noteholders will not contest the payment of any interest or fees owed to

the First Lien Agent or the First Lien Lenders under section 506 of the Bankruptcy Code (the "First Lien 506(b) Claims").

L. *Limitations on Second Lien Adequate Protection.* Section 5.4 of the Intercreditor Agreement provides that, prior to the First Priority Obligations Payment Date, the only forms of adequate protection the Second Lien Noteholders may seek are: (1) subordinated replacement liens; or (2) superpriority claims that are junior to the superpriority claims granted to the First Lien Lenders. Specifically, the Second Lien Notes Indenture Trustee agreed on behalf of the Second Lien Noteholders that:

> . . . in any [i]nsolvency [p]roceeding, (i) if the [First Lien Lenders] (or any subset thereof) are granted adequate protection consisting of additional collateral that constitutes Common Collateral (with replacement liens on such additional collateral) and superpriority claims in connection with any [debtor-in-possession financing] or use of cash collateral . . . then . . . the [Second Lien Notes Indenture Trustee], on behalf of itself and any of the [Second Lien Noteholders], may, as adequate protection of their interests in the Common Collateral, seek or accept (and the [First Lien Agent] and the [First Lien Lenders] shall not object to) adequate protection consisting solely of:
>
> (x) a replacement Lien on the same additional collateral, subordinated to the [l]iens securing the [Debtors' obligations to the First Lien Lenders] and such [debtor-in-possession financing] on the same basis as the other [liens securing the Debtors' obligations to the Second Lien Noteholders] on the Common Collateral are so subordinated to the [liens securing the Debtors' obligations to the First Lien Lenders] under [the Intercreditor] Agreement; and
>
> (y) superpriority claims junior in all respects to the superpriority claims granted to the [First Lien Lenders] . . . .
>
> The [Second Lien Notes Indenture Trustee], on behalf of itself and the other [Second Lien Noteholders], agrees that except as expressly set forth in this [s]ection none of them shall seek or accept adequate protection with respect to their interests in the Common Collateral without the prior written consent of the [First Lien Agent].

Intercreditor Agreement, § 5.4.

M. *Dispute.* The Debtors assert that the DIP Facility satisfies all of the requirements of the Intercreditor Agreement, and that the Second Lien Noteholders have effectively consented

to: (1) the Debtors' access to the DIP Facility; (2) the Debtors' use of cash collateral as described therein; and (3) pursuant to section 5.4 of the Intercreditor Agreement, to any requests by the First Lien Lenders for adequate protection, and are limited in their own ability to seek adequate protection. The Ad Hoc Group disagrees with these assertions.

N. To avoid litigation regarding this dispute, the Parties hereby agree that: (1) the Debtors will provide adequate protection (the "Second Lien Adequate Protection") to the Second Lien Notes Indenture Trustee, on behalf of the Second Lien Noteholders, in accordance with the terms of this Stipulation; (2) the Ad Hoc Group hereby consents to the DIP Facility and the priming liens securing the DIP Facility; and (3) the Ad Hoc Group consents to the continued use of Cash Collateral (as such term is defined in the DIP Orders) pursuant to the terms of the Interim DIP Order and, to the extent substantially consistent with the Interim DIP Order, the Final Dip Order. To achieve this result, the Parties agree to the stipulations set forth below.

STIPULATION, AGREEMENT AND ORDER

NOW, THEREFORE, IT IS HEREBY STIPULATED, AGREED, AND ORDERED AND THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:

1. The Debtors will provide, and the Ad Hoc Group agrees to direct the Second Lien Notes Indenture Trustee to accept, and not object to, the Debtors providing, the following as Second Lien Adequate Protection, subject to the Carve Out in all respects:[3]

(a) replacement liens, on all of the Debtors' postpetition property and assets that secure the DIP Facility and the First Lien Facility and liens on all other property and assets of the Debtors that secure the DIP Facility and the First Lien Facility (that do not already secure the Second Lien Notes), which liens will be junior to the liens of the DIP

[3] Unless otherwise indicated, capitalized terms used in this Stipulation but not otherwise defined herein shall have the meanings ascribed to such terms in the Interim DIP Order (as in effect as initially entered).

Lenders under the DIP Facility, the Carve Out, the First Lien Adequate Protection Liens, the liens securing the obligations under the First Lien Facility, and the Non-Primed Liens;

(b) superpriority claims as provided in section 507(b) of the Bankruptcy Code, with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331, and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve Out, (ii) the Superpriority Claims (as defined in the Interim DIP Order), and (iii) the First Lien 507(b) Claims, each granted in respect of the DIP Obligations or First Lien Obligations, as applicable;

(c) payment on a monthly basis after entry of the DIP Orders, on the first day of each month, commencing on July 1, 2011, of all interest accrued on the Second Lien Notes prior to such payment date, at the non-default rate, which upon receipt by the Second Lien Notes Indenture Trustee shall be taken into account (to the extent it has any impact on the computation pursuant to the terms of the Second Lien Notes Indenture) in determining the computed amount of any makewhole or other early termination premium, including the Makewhole Premium, in accordance with the terms of the Second Lien Notes Indenture;

(d) payment of all reasonable fees and expenses of the Ad Hoc Group, including the reasonable fees and disbursements of counsel and financial advisors to the Ad Hoc Group incurred (i) in June 2011 and, (ii) during each month thereafter provided that such reimbursement obligation shall not exceed $75,000 in the aggregate on a current pay basis for any month after June 2011 during these chapter 11 cases (the "Monthly Current Pay Cap"); *provided, further, however*, that (x) the Ad Hoc Group

shall be entitled to payment of any additional fees and disbursements incurred hereunder in excess of the Monthly Current Pay Cap in connection with the conclusion of these chapter 11 cases, so long as such fees and disbursements are reasonable and in any dispute, the Ad Hoc Group shall bear the burden of proof as to the reasonableness of the fees and disbursements and (y) nothing in this Stipulation shall: (A) require the Debtors to pay fees and expenses of the Ad Hoc Group in connection with litigating the entitlement to payment of interest at the default rate or the Makewhole Premium; or (B) prohibit any party in interest from objecting to final approval of any payments to the Ad Hoc Group solely with respect to the reasonableness of the fees and disbursements received pursuant to this Stipulation or pursuant to any subsequent request for fees and disbursements; and

(e) provision to the Ad Hoc Group of any written financial information or periodic reporting provided, or required to be provided, to the DIP Agent or the DIP Lenders, concurrently with the delivery (or when otherwise required to be delivered) of such financial information or periodic reporting to the DIP Agent or the DIP Lenders.

2. The Ad Hoc Group hereby represents that it holds more than 50% of the outstanding amount of Second Lien Notes and can direct the Second Lien Notes Indenture Trustee to take, or refrain from taking, action under the Second Lien Notes Indenture subject to and in accordance with the terms of the Second Lien Notes Indenture. The Debtors are specifically relying on this representation in entering into this Stipulation and, to the extent: (a) the Second Lien Notes Indenture Trustee or (b) the Ad Hoc Group, objects to the entry of the Interim DIP Order or, to the extent substantially consistent with the Interim DIP Order, the Final

DIP Order or to the Second Lien Adequate Protection, nothing in this Stipulation shall be binding on the Debtors and the terms hereof shall be automatically null and void.

3. To the extent the Restructuring Support Agreement is terminated, the Parties agree to revisit the Second Lien Adequate Protection provided under this Stipulation and negotiate new Second Lien Adequate Protection in good faith.

4. Nothing herein shall be deemed a waiver of any rights or obligations of the Parties under the Intercreditor Agreement, and (a) the Debtors specifically reserve the right to challenge the Second Lien Noteholders entitlement to payment of interest at the default rate or the Makewhole Premium during these chapter 11 cases and (b) the Second Lien Noteholders specifically reserve the right to seek payment of interest at the default rate or the Makewhole Premium during these chapter 11 cases.

5. Without prejudice to the rights of any other party (but subject to the limitations thereon contained in Section 6 hereof), the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, the Debtors were truly and justly indebted to the Second Lien Noteholders, without defense, counterclaim or offset of any kind, in the aggregate principal amount of not less than $200 million in respect of Second Lien Notes issued under in accordance with the Second Lien Notes Indenture, plus accrued and unpaid interest thereon, and, other fees and expenses (including fees and expenses of attorneys and advisors) as provided in the Second Lien Notes Indenture, the Collateral Documents (as defined in the Second Lien Notes Indenture) and the other agreements, documents and/or instruments executed and/or delivered in connection therewith (collectively, the "Second Lien Documents") and other amounts outstanding under the Second Lien Documents (collectively, the "Second Lien Obligations");

(b) the liens and security interests granted by the Debtors to the Second Lien Notes Indenture Trustee (for the ratable benefit of the Second Lien Noteholders) to secure the Second Lien Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the Second Lien Notes Indenture) liens on and security interests in the personal and real property of such Debtors constituting "Collateral" under, and as defined in, the Second Lien Notes Indenture (together with the Cash Collateral, the "Prepetition Collateral"), (ii) not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (iii) subject and subordinate only to (A) after giving effect to the Interim DIP Order, the Carve-Out and the liens and security interests granted to secure the DIP Loans and the First Lien Adequate Protection Obligations, and (B) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the Second Lien Documents to the extent such permitted liens are senior to the liens securing the Second Lien Obligations;

(c) (i) no portion of the Second Lien Obligations shall be subject to avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (ii) the Debtors do not have, and hereby forever release, any claims, counterclaims, causes of action, defenses or setoff rights whether arising under the Bankruptcy Code or applicable nonbankruptcy law, that they may have against the Second Lien Notes Indenture Trustee, the Second Lien Noteholders, and as to each of the foregoing, their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case in connection with any matter related to the Second Lien Obligations, the Second

Lien Notes Indenture, the Second Lien Documents or the financing and transactions contemplated thereby or the Prepetition Collateral.

6. The stipulations and admissions contained in Section 5 hereof, shall be binding upon the Debtors under all circumstances. The stipulations and admissions contained herein shall be binding upon all parties in interest unless (a) any party-in-interest (including the Committee (as defined in the Interim DIP Order)) with standing to do so has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including without limitation, in this Section 6) by no later than the earlier of (i) the date that is 75 days after the Petition Date and (ii) the date that is 60 days following the formation of the Committee; provided that any such deadline is subject to extension as may be specified by this Court for cause shown, (A) challenging the validity, enforceability, priority or extent of the Second Lien Obligations or the liens on the Prepetition Collateral securing the Second Lien Obligations or (B) otherwise asserting or prosecuting any Avoidance Actions (as defined in the Interim DIP Order) or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "Claims and Defenses") against any the Second Lien Notes Indenture Trustee, any of the Second Lien Noteholders, or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Second Lien Obligations or the Prepetition Collateral and (b) an order is entered and becomes final in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter; provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding or contested matter is timely filed in respect of the Second Lien Obligations (x) the Second Lien Obligations shall constitute allowed claims, not subject to

counterclaim, setoff, subordination (except as set forth in the Intercreditor Agreement), recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, and to the extent repaid shall be deemed to have been indefeasibly repaid, (y) the liens on the Prepetition Collateral securing the Second Lien Obligations shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in Sections 5(b) and 5(c), as applicable, not subject to defense, counterclaim, recharacterization, subordination or avoidance, and (z) the Second Lien Obligations, the Second Lien Notes Indenture Trustee, the Second Lien Noteholders and the liens on the Prepetition Collateral granted to secure the Second Lien Obligations shall not be subject to any other or further challenge by any party-in-interest (including the Committee), and such party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in Section 5 hereof shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on all parties-in-interest (including the Committee), except as to any such findings and admissions that were expressly and successfully challenged in such adversary proceeding or contested matter.

7. To facilitate the processing of claims, to ease the burden upon this Court and to reduce any unnecessary expense to the Debtors' estates, the Second Lien Notes Indenture Trustee is authorized in its discretion to file a single master proof of claim in these procedurally consolidated cases on behalf of itself and the Second Lien Noteholders on account of their claims arising under the Second Lien Documents and hereunder against all Debtors (the

"Master Proof of Claim"). The Second Lien Notes Indenture Trustee shall not be required to file a verified statement pursuant to Bankruptcy Rule 2019 in any of the Cases.

8. Upon filing of any such Master Proof of Claim, the Second Lien Notes Indenture Trustee and each Second Lien Noteholder and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Debtors arising under the Second Lien Documents or under this Stipulation and the claims of the Second Lien Notes Indenture Trustee and each Second Lien Noteholder (and each of their respective successors and assigns), named in the applicable Master Proof of Claim shall be allowed or disallowed as if each such entity had filed a separate proof of claim in each of the Cases in the amount set forth in the applicable Master Proof of Claim; *provided, that* the Second Lien Notes Indenture Trustee may, but shall not be required to, amend the applicable Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any such claims.

9. The provisions set forth in Sections 7 and 8 above and the Master Proofs of Claim are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proofs of Claim shall affect the substantive rights of the Debtors, the Second Lien Notes Indenture Trustee, the Second Lien Noteholders or any other party in interest or their respective successors in interest, including without limitation, the right of each Second Lien Noteholder to vote separately on any plan of reorganization proposed in the Cases.

10. The Parties intend, and upon approval from the Court, the terms of the adequate protection provided pursuant to this Stipulation and the other provisions set forth herein shall be effective as of the entry of the Interim DIP Order.

[Remainder of Page Intentionally Left Blank]

Dated: June 27, 2011
Wilmington, Delaware

/s/

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/s/

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Proposed counsel for the Debtors and Debtors in Possession

SO ORDERED this __ day of June, 2011

UNITED STATES BANKRUPTCY JUDGE

Exhibit C

Snyder Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
NEBRASKA BOOK COMPANY, INC., *et al.*,[1]	)	Case No. 11-12005 (___)
Debtors.	)	(Joint Administration Requested)

DECLARATION OF TODD R. SNYDER IN SUPPORT OF THE MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (A) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING AND LETTERS OF CREDIT, (B) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (C) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS AND APPROVING THE ADEQUATE PROTECTION STIPULATION, AND (D) SCHEDULING A FINAL HEARING

I, Todd R. Snyder, Senior Managing Director and Co-Head of the Restructuring and Reorganization group at the financial advisory and investment banking firm, Rothschild Inc. ("Rothschild"), hereby declare under penalty of perjury:

1. The DIP Motion seeks approval of a $200 million postpetition financing facility, consisting of a $75 million revolving loan and a $125 million term loan, (the "DIP Facility"), pursuant to that certain credit agreement, a copy of which is attached to the DIP Motion as **Exhibit C**, (the "DIP Agreement"), by and among Nebraska Book Company, Inc., as borrower, and certain other Debtors as co-borrowers and guarantors (collectively, the "Loan Parties"), JPMorgan Chase Bank, N.A., as administrative agent (the "DIP Agent"), and certain lenders from time to time party thereto (collectively, in their capacities as such, the "DIP Lenders"). It is

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: Nebraska Book Company, Inc. (9819); Campus Authentic LLC (9156); College Bookstores of America, Inc. (9518); NBC Acquisition Corp. (3347); NBC Holdings Corp. (7477); NBC Textbooks LLC (1425); Net Textstore LLC (6469); and Specialty Books, Inc. (4807). The location of the debtors' service address is: 4700 South 19th Street, Lincoln, Nebraska 68512.

also my understanding, that the DIP Motion seeks authority allowing the Debtors to use the Prepetition Secured Lenders' cash collateral ("Cash Collateral").

2. The statements in this Declaration are, except where specifically noted, based on either my personal knowledge or opinion, on information received from the Debtors' management, advisors, or employees of Rothschild working directly with me or under my supervision, or from the Debtors' records maintained in the ordinary course of their business. I am not being compensated specifically for this testimony other than through payments received by Rothschild as a professional proposed to be retained by the Debtors.

3. As noted above, I am a Senior Managing Director and Co-Head of the Restructuring and Reorganization group at Rothschild, a financial advisory and investment banking firm, and the proposed financial advisor and investment banker in the Debtors' chapter 11 cases. I have advised companies regarding restructurings and reorganizations for approximately 22 years. I have worked with companies in a wide range of industries providing advice regarding restructurings, reorganizations, workouts, and a wide variety of other transactions, including exchange offers, mergers, divestitures, and management-led buyouts.

4. Among my positions prior to joining Rothschild, I was a Managing Director at the investment banking firm Peter J. Solomon Company and a Managing Director at KPMG in the Corporate Recovery Group. I also previously practiced law in the Business Reorganization department of Weil, Gotshal & Manges LLP. I received a J.D. from the University of Pennsylvania Law School and an undergraduate degree from Wesleyan University.

5. Since January 2011, I and other professionals of Rothschild have rendered various financial advisory and investment banking services to the Debtors, including, but not limited to, the following: (a) familiarizing ourselves with the Debtors' assets and operations; (b) analyzing the Debtors' current liquidity and projected cash flows; (c) examining and seeking to implement

potential strategic alternatives to de-leverage the Debtors' balance sheet; (d) assisting the Debtors' with a process to refinance the Debtors' public market indebtedness; (e) developing materials for, and participating in, numerous meetings of the Debtors' board of directors; (f) assisting the Debtors and their other professionals in the development of materials for, and participating in, numerous meetings with key creditor and equity constituents; (g) engaging in negotiations with the Debtors' secured lenders and certain noteholders, certain other stakeholders and their respective advisors regarding the terms of a consensual balance sheet restructuring; (h) assisting the Debtors and their other professionals in developing the budget used for purposes of securing debtor-in-possession financing; (i) assisting the Debtors in structuring and negotiating the debtor-in-possession financing; (j) assisting the Debtors in the identification of potential alternative financing sources; and (k) assisting the Debtors in evaluating their restructuring alternatives. Accordingly, I am familiar with the Debtors' liquidity needs, efforts to obtain postpetition financing, and the negotiations culminating in execution of the DIP Agreement with the DIP Lenders. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

I. The Debtors' Liquidity Needs and Their Immediate Need for Relief.

6. Over the past year, a series of events have placed a significant strain on the Debtors' ability to service their highly leveraged capital structure, ultimately leading to the filing of these chapter 11 cases. The Debtors' financial performance has suffered in recent years because students' buying habits have shifted toward online and rental textbook providers—areas outside the Debtors' traditional core business model. Specifically, the Debtors' EBITDA for their off-campus stores peaked in 2008 at approximately $36 million, declined to approximately $31 million in 2009, and eventually fell to $19 million in 2011.

7. It is my understanding that the Debtors undertook certain operational initiatives, like implementing a rental book business and launching a proprietary branded website that combines more than 280 individual store websites into a single site and permits the Debtors to have a significant presence in the online marketplace without paying third-party transaction costs. While the Debtors are confident that these operational initiatives will stabilize their financial performance and position them in the marketplace for the long-term, the Debtors still faced the near-term maturity of $200 million in secured second lien notes. And, in light of this pending maturity, the Debtors' publishers expressed concern regarding the Debtors' ability to honor their obligations for the "back-to-school" textbook and merchandise purchases.

8. Prior to the Petition Date, the Debtors and their advisors considered multiple restructuring alternatives to reduce leverage and align the Debtors' capital structure with their current operating environment. In particular, Rothschild analyzed the Debtors' near-term liquidity position to determine the liquidity necessary for the Debtors to maintain business operations during a restructuring under chapter 11. In undertaking this analysis, Rothschild adopted a conservative approach while analyzing the Debtors' operating cash flows, working capital needs, and the impact of the current economic outlook on the Debtors' near-term financial performance. As part of Rothschild's financial analysis and projections, Rothschild also reviewed and analyzed a 13-week cash flow forecast (the "Initial Cash Flow Budget") attached hereto as **Exhibit 1**, which was prepared by the Debtors with the assistance of AlixPartners and which takes into account the Debtors' anticipated cash receipts and disbursements during that time.

9. Absent approval of the DIP Facility and the Debtors' use of Cash Collateral as set forth in the DIP Motion, an Initial Cash Flow Budget indicates that the Debtors' current cash on hand and cash generated from their postpetition operations will be insufficient to continue

operating their business during their chapter 11 cases. Without immediate interim access to the DIP Facility, I believe the Debtors likely will have to severely curtail—if not terminate—their business operations which will severely impact the going-concern value of their business to the detriment of creditors, employees, and other parties in interest.

10. It is my opinion that the Debtors have a need for additional liquidity that, under the circumstances further described below, can only be obtained through the DIP Facility. The DIP Facility will allow the Debtors to continue operations in an orderly manner, maintain business relationships with the publishers, general merchandise vendors, suppliers, and customers, pay employees, and satisfy other working capital and operational needs—all of which are necessary to preserve and maintain the going-concern value of the Debtors' business. Accordingly, I believe the Debtors must be granted authority to use Cash Collateral and to obtain DIP Financing in light of the immediate and irreparable harm the Debtors' estates will suffer if they are unable to sustain their business as a going concern.

II. The Debtors' Efforts to Obtain Postpetition Financing.

11. In the months prior to the Petition Date, we worked closely with the Debtors to explore the capital markets, as well as explore options with incumbent lenders in the Debtors' existing capital structure, in an effort to refinance the Debtors' prepetition debt obligations. For six months, we devoted our efforts to a broad process to refinance the Debtors' prepetition debt obligations or amending and extending the Debtors' various notes. Simultaneously searching for potential sources of debtor-in-possession financing would have doomed the potential out-of-court refinancing.

12. Once it became clear that an out-of-court refinancing was not possible, the Debtors entered into extensive, arm's-length negotiations with the First Lien Agent regarding the terms of potential debtor-in-possession financing, due to First Lien Agent's extensive knowledge

of the Debtors' business and extensive experience with asset-backed revolving credit facilities, to ensure that they have sufficient liquidity to continue operations and to preserve the value of their estates. The First Lien Agent's strong syndication desk gave the Debtors comfort that the universe of potential participants in the DIP Facility would be well-canvassed, thereby providing for competition among potential participants and more favorable terms for the Debtors' DIP Facility.

13. While the Debtors engaged other potential sources of debtor-in-possession financing, the potential lender universe was limited by the fact that many parties with the experience or appetite for lending to textbook companies were already participants in the Debtors' existing First Lien Facility. Further, debtor-in-possession financing from any other source may have required certain consents from the Debtors' Prepetition Secured Lenders as a condition to effectiveness, or would have required a contested priming fight in the first day of these chapter 11 cases. Accordingly, to avoid this high risk of distracting and costly priming and adequate protection disputes, the Debtors determined that a DIP Facility from the existing First Lien Lenders was far and away the most viable alternative.

14. After duly considering other potential sources of debtor-in-possession financing, I believe that the DIP Facility is the best debtor-in-possession financing package available to the Debtors. The DIP Facility provides an attractive financing package, with market terms comparable to those in similar debtor-in-possession financing packages.

III. The Proposed DIP Facility Presents the Best Financing Proposal Available to Under the Circumstances.

15. I believe that accepting the financing proposal from the Debtors' First Lien Lenders allows the Debtors to avoid the costs and risks associated with any attempt to prime existing indebtedness over their lenders' likely objection. I further believe the financing

proposal provided by their First Lien Lenders provides advantageous terms to the Debtors and their estates and is the best available financing proposal under the circumstances.

16. I also believe that the Debtors have an immediate need to access the DIP Facility and use cash collateral to permit them, among other things, to continue to operate their businesses, to maintain business relationships with the publishers, general merchandise vendors, suppliers and customers, to pay employee wages in the ordinary course, to make necessary capital expenditures and to satisfy other working capital and operational needs, all of which are necessary to preserve the Debtors' going-concern value and maximize recoveries for the Debtors' stakeholders. Specifically, the Debtors need the funds to be provided under the DIP Facility to signal to the publishers and the general merchandise vendors that they are credit-worthy and that they should continue to provide their products to the Debtors on substantially the same credit terms as during the prepetition period. Absent the DIP Facility and use of the Cash Collateral, the Debtors will be unable to operate their business or prosecute these chapter 11 cases, and the publishers and general merchandise vendors may refuse to provide textbooks or merchandise unless the Debtors pay for such items in advance. This could result in an immediate liquidity crisis and may force the Debtors to shut down operations and default under virtually all of their on-campus bookstore operating agreements due to an inability to provide the necessary textbooks, which will destroy the Debtors' significant going concern value. Providing the Debtors with the liquidity necessary to preserve their going concern value through the pendency of these chapter 11 cases is in the best interest of all stakeholders.

17. I believe that the terms of the DIP Agreement negotiated with the First Lien Lenders, the Debtors' use of the cash collateral as provided by the DIP Orders and all other financial accommodations provided under the DIP Agreements are fair and reasonable and are supported by reasonably equivalent value and fair consideration. The Debtors could not have

obtained postpetition financing on the terms and of the type and magnitude required in the chapter 11 cases on an unsecured basis, or without offering terms largely similar to those of the DIP Facility. In particular, I believe that the rollup of prepetition indebtedness under the First Lien Facility is a critical element necessary for the Debtors to obtain the postpetition financing as provided by the DIP Facility. Without this accommodation, I do not believe the First Lien Lenders would provide the DIP Facility on the advantageous terms discussed in the DIP Motion.

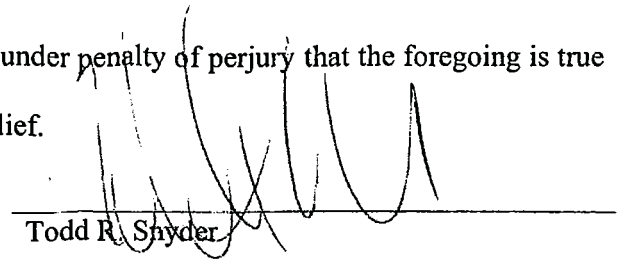
18. Further, I believe that it is imperative that the Debtors obtain postpetition financing with the consent of their First Lien Lenders. A contested proceeding to use cash collateral or obtain non-consensual priming debtor-in-possession financing could delay the Debtors' restructuring, incur significant costs, and erode the confidence of employees, vendors, and creditor constituencies, endangering the long-term viability of the Debtors, regardless of the ultimate outcome. Due to the interest that the First Lien Lenders have in maintaining the value of the Debtors' estates, I believe the DIP Facility provides significant advantages that the Debtors believe would be unavailable from other lenders, and that the DIP Facility will meet the Debtors' projected financing needs during the brief duration these chapter 11 cases.

19. In addition, it is my understanding that the Debtors' access to Cash Collateral and availability under the DIP Facility will be subject to the Budget. I have reviewed the Budget and I believe that the Budget will be adequate, considering all available assets, to pay all administrative expenses due or accruing during the period covered by the DIP Facility and the Budget.

[*Remainder of Page Intentionally Left Blank*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Wilmington, Delaware
Date: June 27, 2011



Todd R. Snyder

Exhibit 1

Initial Cash Flow Budget

Nebraska Book Company, Inc
Cash Flow Forecast

	Forecast 24-Jun	Forecast 1-Jul	Forecast 8-Jul	Forecast 15-Jul	Forecast 22-Jul	Forecast 29-Jul	Forecast 5-Aug	Forecast 12-Aug	Forecast 19-Aug	Forecast 26-Aug	Forecast 2-Sep	Forecast 9-Sep	Forecast 16-Sep	Forecast 13 Weeks
Retail Receipts	3,386	3,881	3,364	4,945	3,011	2,208	3,250	7,082	15,218	43,108	42,756	24,027	17,058	173,295
Wholesale Receipts	2,341	2,598	2,263	1,083	1,494	2,056	2,402	2,778	3,854	3,467	4,187	2,535	4,427	35,486
Other Receipts	698	520	475	204	189	377	303	616	468	961	896	502	567	6,777
Total Receipts	**6,425**	**6,999**	**6,102**	**6,232**	**4,694**	**4,641**	**5,955**	**10,477**	**19,541**	**47,536**	**47,839**	**27,064**	**22,053**	**215,557**
Retail Wires & Checks	(503)	(679)	(257)	(477)	(1,208)	(936)	(946)	(835)	(1,961)	(1,763)	(910)	(492)	(2,148)	(13,117)
Retail Disbursements	**(503)**	**(679)**	**(257)**	**(477)**	**(1,208)**	**(936)**	**(946)**	**(835)**	**(1,961)**	**(1,763)**	**(910)**	**(492)**	**(2,148)**	**(13,117)**
Mobile Buys	(27)	(37)	(28)	(22)	(35)	(96)	(285)	(142)	(63)	(40)	(32)	(17)	(17)	(841)
Buyer Funds	(262)	(876)	(429)	(440)	(638)	(760)	(569)	(596)	(553)	(1,768)	(260)	(264)	(312)	(7,728)
Buy Wires	(200)	(200)	(84)	(370)	(633)	(738)	(722)	(922)	(631)	(198)	(196)	(238)	(468)	(5,600)
Wholesale Disbursements	**(489)**	**(1,113)**	**(541)**	**(832)**	**(1,306)**	**(1,594)**	**(1,576)**	**(1,660)**	**(1,248)**	**(2,006)**	**(489)**	**(520)**	**(797)**	**(14,169)**
A/P Cleared	(1,565)	(23,894)	(43,220)	(22,238)	(19,545)	(24,057)	(18,627)	(10,474)	(13,251)	(1,076)	(9,022)	(565)	(4,108)	(191,643)
Payroll	(7)	(1,946)	(160)	(1,910)	(14)	(2,050)	(13)	(1,831)	(13)	(2,369)	(0)	(2,691)	(14)	(13,016)
Other	(21)	(286)	(1,283)	(410)	(164)	(322)	(349)	(650)	(867)	(423)	(219)	(620)	(679)	(6,294)
Other Disbursements	**(1,593)**	**(26,126)**	**(44,664)**	**(24,557)**	**(19,722)**	**(26,429)**	**(18,989)**	**(12,956)**	**(14,131)**	**(3,867)**	**(9,241)**	**(3,876)**	**(4,801)**	**(210,953)**
Total Disbursements	**(2,585)**	**(27,917)**	**(45,463)**	**(25,866)**	**(22,236)**	**(28,959)**	**(21,510)**	**(15,451)**	**(17,340)**	**(7,636)**	**(10,641)**	**(4,888)**	**(7,746)**	**(238,239)**
Operating Cash Flow	**3,839**	**(20,918)**	**(39,361)**	**(19,635)**	**(17,542)**	**(24,318)**	**(15,555)**	**(4,974)**	**2,200**	**39,900**	**37,199**	**22,176**	**14,306**	**(22,682)**
Additional Funding	-	125,000	-	-	-	-	-	-	-	-	-	-	-	125,000
Debt Service	-	(4,518)	-	-	-	-	(2,612)	-	-	-	(2,677)	-	-	(9,807)
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	(1,000)	-	-	-	-	-	-	-	-	(1,000)
Professional Fees/ Arrangement Fees	(1,854)	(2,500)	(1,700)	(2,500)	-	-	-	-	-	(3,795)	-	-	-	(12,348)
Cash Collateralization of L/Cs	-	(740)	-	-	-	-	-	-	-	-	-	-	-	(740)
Non-Operating Cash Flow	**(1,854)**	**117,242**	**(1,700)**	**(2,500)**	**(1,000)**	**-**	**(2,612)**	**-**	**-**	**(3,795)**	**(2,677)**	**-**	**-**	**101,105**
Net Cash Flow before ABL	**1,985**	**96,324**	**(41,061)**	**(22,135)**	**(18,542)**	**(24,318)**	**(18,166)**	**(4,974)**	**2,200**	**36,105**	**34,522**	**22,176**	**14,306**	**78,423**
Beginning Cash Balance	21,657	20,000	93,667	52,606	30,471	20,000	20,000	20,000	20,000	20,000	20,000	37,298	59,474	21,657
Net Receipts (Disbursements)	1,985	96,324	(41,061)	(22,135)	(18,542)	(24,318)	(18,166)	(4,974)	2,200	36,105	34,522	22,176	14,306	78,423
Borrowings (Repayments)	(3,643)	(22,657)	-	-	8,071	24,318	18,166	4,974	(2,200)	(36,105)	(17,223)	-	-	(26,300)
Ending Cash Balance	**20,000**	**93,667**	**52,606**	**30,471**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**20,000**	**37,298**	**59,474**	**73,780**	**73,780**
ABL Revolver Commitment	75,000	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Revolver Commitment	-	-	-	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
DIP/ ABL Revolver Collateral	60,203	60,203	60,203	62,599	75,009	84,497	92,337	100,258	104,600	110,722	101,973	92,551	87,958	87,958
Lesser of Commitment or Collateral	60,203	-	-	62,599	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	60,203
Less Outstanding L/Cs	(3,734)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,001)	(3,734)
Less Reserves	(6,694)	(6,694)	(6,694)	(6,694)	(6,258)	(6,258)	(6,258)	(6,258)	(6,258)	(6,311)	(6,311)	(6,311)	(6,311)	(6,694)
Less Beginning ABL/ DIP Balance	(26,300)	(22,657)	-	-	-	(8,071)	(32,389)	(50,556)	(55,529)	(53,329)	(17,223)	-	-	(26,300)
Beginning ABL/ DIP Availability	**23,476**	**-**	**-**	**52,904**	**65,741**	**57,670**	**33,351**	**15,185**	**10,212**	**12,359**	**48,465**	**65,688**	**65,688**	**23,476**
Repayments (Borrowings)	3,643	22,657	-	-	(8,071)	(24,318)	(18,166)	(4,974)	2,200	36,105	17,223	-	-	26,300
Unused Available ABL/ DIP	**27,119**	**-**	**-**	**52,904**	**57,670**	**33,351**	**15,185**	**10,212**	**12,412**	**48,465**	**65,688**	**65,688**	**65,688**	**65,688**
Ending ABL/ DIP Balance	22,657	-	-	-	8,071	32,389	50,556	55,529	53,329	17,223	-	-	-	-
Ending DIP Term Loan Balance	-	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
Ending Liquidity	**47,119**	**93,667**	**52,606**	**83,375**	**77,670**	**53,351**	**35,185**	**30,212**	**32,412**	**68,465**	**102,986**	**125,163**	**139,469**	**139,469**

Exhibit D

DIP Agreement

EXECUTION COPY

J.P. MORGAN SECURITIES LLC
383 Madison Avenue
New York, New York 10179

JPMORGAN CHASE BANK, N.A.
270 Park Avenue
New York, New York 10017

June 26, 2011

CONFIDENTIAL

Nebraska Book Company, Inc.
4700 South 19th Street
Lincoln, Nebraska 68501

Attn: Alan G. Siemek, Chief Financial Officer

Commitment Letter

Ladies and Gentlemen:

You have advised JPMorgan Chase Bank, N.A. ("JPMCB") J.P. Morgan Securities LLC ("J.P. Morgan" and, together with J.P. Morgan, "we" or "us") that NBC Holdings Corp., NBC Acquisition Corp., Nebraska Book Company, Inc. and all of their subsidiaries (collectively, the "Company" or "you") are considering filing voluntary petitions (the "Cases") under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Delaware or any other United States Bankruptcy Court that has the relevant jurisdiction over the Cases and that is reasonably acceptable to us (the "Bankruptcy Court"). In connection therewith, the Company has requested that we agree to structure, arrange and syndicate a super-priority secured debtor-in-possession asset based revolving facility in an aggregate principal amount of $75,000,000 (the "Revolving Facility") and a term loan facility in an aggregate principal amount of $125,000,000 (the "Term Facility"; together with the Revolving Facility, the "Facilities"). Capitalized terms used but not defined herein have the meanings assigned to them in the Credit Agreement (as defined below).

In connection with the foregoing, JPMCB is pleased to advise you of its commitment to provide $200,000,000 of the Facilities upon the terms and subject to the conditions set forth or referred to in this Commitment Letter and the Form Credit Agreement attached hereto as Exhibit A (the "Credit Agreement"). This letter, together with Exhibit A and the attachments and annexes thereto, is referred to as the "Commitment Letter". In addition, J.P. Morgan is pleased to advise you of its agreement to use commercially reasonable efforts to structure, arrange and syndicate the Facilities and to assist you in obtaining additional commitments from prospective Lenders (as defined below) in respect of the Facilities, in each case upon the terms and subject to the conditions set forth or referred to in this Commitment Letter and the Fee Letter referred to below.

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It is agreed that, in each case subject to the terms and the conditions in this Commitment Letter, (a) pursuant to the Engagement Letter, dated as of June 10, 2011, among the Company, JPMCB and J.P. Morgan (the "Engagement Letter"), J.P. Morgan will act as sole lead arranger and sole bookrunner for the Facilities (in such capacities, the "Arranger") and (b) JPMCB will act as administrative agent and collateral agent for the Facilities. You agree that we may appoint additional financial institutions agreeable to you to act as named agents for the Facilities. You agree that no additional bookrunners, agents, co-agents, arrangers, co-arrangers, managers, co-managers or co-bookrunners will be appointed, no additional titles will be awarded and no compensation (other than compensation expressly contemplated by the Credit Agreement or the Fee Letter referred to below) will be paid in connection with the Facilities unless you and we shall so agree; provided that you may appoint one co-manager for the Term Facility acceptable to us.

You hereby authorize J.P. Morgan to syndicate the Facilities in accordance with, and subject to the terms of, the Engagement Letter (which shall remain in full force and effect in accordance with its terms) to the lenders party to the Credit Agreement as amended and restated as of October 2, 2009, as amended (the "Prepetition Credit Agreement"), to which Nebraska Book Company, Inc. is a party and for which JPMorgan Chase Bank, N.A. acts as administrative agent and/or any other financial institutions identified by J.P. Morgan that are reasonably acceptable to you (together, the "Lenders") and acknowledge that J.P. Morgan commenced its syndication efforts upon the execution of the Engagement Letter.

As consideration for the commitments of JPMCB hereunder and the agreement of J.P. Morgan hereunder to perform the services described herein, you agree to pay or cause to be paid to J.P. Morgan and JPMCB (in each case as further described in the Credit Agreement or the Fee Letter) the nonrefundable fees set forth in the Credit Agreement and in the Fee Letter, dated the date hereof and delivered herewith (the "Fee Letter") as and when provided in the Credit Agreement or the Fee Letter, as the case may be, and subject to the terms and conditions set forth herein. Without limitation of the forgoing, the Company agrees to pay or cause to be paid on the date the Company signs this Commitment Letter unpaid fees and expenses of Simpson Thacher & Bartlett LLP, counsel to J.P. Morgan and JPMCB, in connection with this Commitment Letter, the Fee Letter, the Facilities, the Cases and related matters which have been invoiced prior to such date.

The commitment and agreements of JPMCB hereunder and the agreement of the Arranger to perform the services described herein are subject to (a) since March 31, 2011, there not occurring or becoming known to JPMCB or the Arranger any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on the business, operations, property, condition (financial or otherwise) or prospects of the Company and its subsidiaries, taken as a whole, other than (i) any events leading up to the filing of the Cases disclosed to JPMCB and the Arranger, (ii) the filing of the Cases and (iii) those events which customarily occur following the commencement of a proceeding under Chapter 11 of the Bankruptcy Code and other events ancillary thereto, (b) our not having discovered or otherwise becoming aware of material information not previously disclosed to us that we believe to be materially inconsistent with our understanding, based on information provided to us by you or your advisors and representatives (including pursuant to such public filings made by you or on your behalf) prior to the date hereof, of the business, operations, assets, properties or financial condition of the Company and its subsidiaries, taken as a whole, (c) all representations herein and in the Engagement Letter being true and correct in all material respects at the time made, when taken as a whole, (d) the negotiation, execution and delivery of definitive financing documentation with respect to the Facilities, which definitive financing documentation shall be based upon and consistent with the terms set forth in the Commitment Letter and the Credit Agreement and otherwise reasonably satisfactory to J.P. Morgan, JPMCB, their counsel and the Company (it being understood that the Credit Agreement may not contain all material terms of the Facilities and certain material terms identified therein are to be

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negotiated in good faith by the parties), (e) your compliance with the terms of this Commitment Letter and the Engagement Letter (including, without limitation, the syndication provisions therein) in all material respects and (f) the other conditions set forth in the Credit Agreement.

You agree (a) to indemnify and hold harmless each of the Arranger and JPMCB and their respective affiliates and their and their affiliates' respective officers, directors, employees, advisors, agents and controlling persons from and against any and all losses, claims, damages and liabilities to which any such person may become subject arising out of or in connection with this Commitment Letter, the Fee Letter, the Facilities and the syndication thereof, the use of any proceeds thereof or any claim, litigation, investigation or proceeding relating to any of the foregoing (any of the foregoing, a "Proceeding"), regardless of whether any of such indemnified parties is a party thereto or whether a Proceeding is initiated by or on behalf of a third party or you or any of your affiliates, and to reimburse each of such indemnified parties upon presentation of a summary statement for any reasonable and documented out-of-pocket legal or other expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to any indemnified party, apply to losses, claims, damages, liabilities or related expenses to the extent that they are determined by the final judgment of a court of competent jurisdiction to have resulted from the willful misconduct or gross negligence of such indemnified party, and (b) whether or not the funding of any of the Facilities occurs, to reimburse each of the Arranger, JPMCB and their respective affiliates from time to time upon presentation of a summary statement for all reasonable and documented out-of-pocket expenses and costs (including reasonable and documented out-of-pocket legal expenses) incurred in connection with the Facilities and any related documentation (including without limitation this Commitment Letter, the Fee Letter and the definitive financing documentation with respect to the Facilities). No party hereto shall be liable for (x) any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems or (y) any special, indirect, punitive or consequential damages in connection with its activities related to this Commitment Letter or the Facilities (provided this clause (y) shall not limit the Company's indemnification obligations described in clause (a) of this paragraph).

It is understood and agreed that this Commitment Letter shall not constitute or give rise to any obligation on the part of the Arranger, JPMCB or any of their respective affiliates to provide any financing, except as expressly provided herein

You acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you, on the one hand, and the Arranger or JPMCB, on the other hand, is intended to be or has been created in respect of any of the transactions contemplated by this Commitment Letter, irrespective of whether the Arranger or JPMCB have advised or are advising you on other matters, it being understood that you shall consult with your own advisors concerning the advisability of the Facilities and shall be responsible for making your own independent investigation and appraisal of the Facilities, (b) the Arranger and JPMCB, on the one hand, and you, on the other hand, have an arm's-length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on the part of the Arranger or JPMCB, (c) you are capable of evaluating and understanding, you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter, and you agree that you have made and will continue to, independently and without reliance upon the Arranger or JPMCB, and based on such documents, analysis and information as you deem appropriate, make your own appraisal and investigation of the proposed Facilities and will make your own decision to as to the desirability of the Facilities, (d) you have been advised that each of the Arranger and JPMCB is engaged in a broad range of transactions that may involve interests that differ from your interests and that none of the Arranger or JPMCB has any obligation to disclose such interests and transactions to you by virtue of any fiduciary, advisory or agency relationship, and (e) you waive, to the fullest extent permitted by law, any claims you may have against the Arranger and JPMCB for breach of fiduciary duty or alleged breach of fiduciary

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duty and agree that none of the Arranger or JPMCB shall have any liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors.

You acknowledge that the Arranger, JPMCB and their respective affiliates may be providing debt financing, equity capital or other services (including but not limited to financial advisory services) to other persons or entities in respect of which you and any of your affiliates or subsidiaries may have conflicting interests regarding the transactions described herein and otherwise. None of the Arranger, JPMCB or any of their respective affiliates will use confidential information obtained from you or any of your representatives by virtue of the transactions contemplated by this Commitment Letter or its other relationships with you in connection with the performance by the Arranger, JPMCB or any of their respective affiliates of services for other companies, and none of the Arranger, JPMCB or any of their respective affiliates will furnish any such information to such other persons or entities. You also acknowledge that none of the Arranger, JPMCB or any of their respective affiliates has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to the Company or its subsidiaries or representatives, confidential information obtained by the Arranger, JPMCB or any of their respective affiliates from any other persons or entities. Each of the Arranger and JPMCB may include in its marketing materials a description of its participation in the Facilities (which may include reproduction of the Company's logo).

This Commitment Letter shall not be assignable by any of the parties hereto without the prior written consent of each other party hereto (and any purported assignment without such consent shall be null and void). This Commitment Letter is intended to be solely for the benefit of the parties hereto (and indemnified persons), is not intended to confer any benefits on, or create any rights in favor of, any person other than the parties hereto (and indemnified persons) and may not be amended or waived except by an instrument in writing signed by you, the Arranger and JPMCB. Any and all obligations of, and services to be provided by, the Arranger or JPMCB hereunder may be performed, and any and all rights of such person hereunder may be exercised, by or through their respective affiliates without affecting the obligations of such person hereunder. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. The Engagement Letter, this Commitment Letter, the Debtor-in-Possession Facility Work Fee and Expense Deposit Letter dated as of June 1, 2011 and the Fee Letter are the only agreements entered into among us with respect to the Facilities and set forth the entire understanding of the parties with respect thereto. THIS COMMITMENT LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of (i) the Bankruptcy Court upon the commencement of the Cases and, if the cases are not commenced or the Bankruptcy Court declines to exercise jurisdiction, (ii) any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter or the Fee Letter or the transactions contemplated hereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court, (b) waives,

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to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter or the Fee Letter or the transactions contemplated hereby in any New York State or Federal court and (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

Each of the parties hereto understands and agrees that this Commitment Letter and the Fee Letter, the terms and substance thereof and any other written information and work product provided by the Arranger, JPMCB or any of their respective affiliates, employees, officers, attorneys or other professional advisors are confidential and shall not be disclosed, directly or indirectly, by such party to any other person other than (a) such party's affiliates and its and their respective directors, employees, officers, accountants, attorneys and professional advisors directly involved in the consideration of this matter, each of whom are informed of the confidential nature of this Commitment Letter and agree to be bound by such confidentiality, (b) in the case of the Company and in the case of the Commitment Letter only, any ad-hoc or statutorily appointed creditors' committee or their representatives and any professional advisors on a confidential basis and (c) in the case of the Company and in the case of the Commitment Letter only, the agents and lenders under the Prepetition Credit Agreement, the Company's bondholders and trustees under the Company's indentures, and their respective directors, employees, officers, accountants, attorneys and professional advisors on a confidential and "need-to-know" basis; provided that nothing herein shall prevent such party from disclosing such information (i) upon the order of any court or administrative agency (subject to the last sentence of this paragraph, including as may be necessary to obtain Bankruptcy Court approval of this Commitment Letter), (ii) upon demand of any regulatory agency or other governmental authority or (iii) otherwise as required by law (and in each case such party agrees to inform the other parties promptly thereof and the parties agree to take reasonable actions as shall be necessary to prevent, if practicable, the terms of the Fee Letter from becoming publicly available). Neither the Arranger nor JPMCB may, without its prior written consent, be quoted or referred to in any document, release or communication prepared, issued or transmitted by the Company (including any entity controlled by, or under common control with, the Company or any director, officer, employee or agent thereof). Notwithstanding anything herein to the contrary, to the extent necessary to obtain Bankruptcy Court approval of the Commitment Letter and the Fee Letter, you shall be permitted to file the Commitment Letter with the Bankruptcy Court and file the Fee Letter under seal with the Bankruptcy Court pursuant to a court order reasonably acceptable to the Arranger and provide an unredacted copy of the Fee Letter to the Bankruptcy Court, the Office of the United States Trustee and, with the consent of the Arranger and on a confidential and "professionals eyes" only basis, to any ad-hoc or statutorily appointed creditors' committee in the Cases. You shall also be permitted, after this Commitment Letter and the Fee Letter have been signed and returned to us, to disclose the estimated aggregate amount of fees and expenses payable in connection with the Facilities as we may mutually agree (including, without limitation, the professional and other third party fees and expenses incurred by each of us in connection with the Facilities) and the categories of such fees and expenses payable (but without a breakdown of these fees and expense for such categories) on a confidential basis to any ad-hoc or statutorily appointed creditors' committee and the creditors under your 10% second lien secured notes issued on October 2, 2009 and as may be necessary to obtain such Bankruptcy Court approval.

The Company acknowledges that J.P. Morgan is a securities firm engaged in securities trading and brokerage activities and providing investment banking and financial advisory services. In the ordinary course of business J.P. Morgan and its affiliates may at any time hold long or short positions and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities of the Company, its affiliates or other entities that may be involved in the transactions contemplated hereby.

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Furthermore, the Company acknowledges that JPMCB and J.P. Morgan and their respective affiliates may have fiduciary or other relationships whereby JPMCB, J.P. Morgan or their respective affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of the Company or of potential participants in the Facilities or others with interests in respect of the Facilities. The Company acknowledges that JPMCB and J.P. Morgan and their respective affiliates may exercise such powers and otherwise perform its functions in connection with such fiduciary or other relationships without regard to JPMCB or J.P. Morgan's relationship to the Company hereunder.

The Company acknowledges that JPMCB and J.P. Morgan are not advisors as to legal, tax, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither JPMCB nor J.P. Morgan shall have responsibility or liability to the Company with respect thereto.

The indemnification, confidentiality, jurisdiction and waiver of jury trial provisions contained herein shall remain in full force and effect regardless of whether definitive financing documentation for the Facilities shall be executed and delivered and notwithstanding the termination of this Commitment Letter, provided that this Commitment Letter shall in all other respects be superseded by the definitive financing documentation for the Facilities upon the effectiveness thereof (other than with respect your obligations to provide assistance in connection with the syndication thereof and to maintain the confidentiality of the Fee Letter as set forth herein).

Each of the Arranger and JPMCB hereby notifies you that pursuant to the requirements of the U.S.A. PATRIOT ACT (Title III of Pub. L. 107 56 (signed into law October 26, 2001)) (the "Patriot Act"), it and each of the lenders under the Facilities may be required to obtain, verify and record information that identifies the Company, which information may include the name and address of the Company, and other information that will allow the Arranger, JPMCB and each of the Lenders to identify the Company in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Arranger, JPMCB and each of the Lenders.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and the Fee Letter by returning to us executed counterparts of this Commitment Letter and the Fee Letter not later than 7:00 p.m., New York City time, on June 26, 2011. The commitment of JPMCB hereunder and the agreement of J.P. Morgan hereunder to perform the services contemplated herein will expire at such time in the event we have not received such executed counterparts in accordance with the immediately preceding sentence. Further, this Commitment Letter and the commitment of JPMCB hereunder and the agreement of J.P. Morgan hereunder shall (unless the Arranger and JPMCB shall, in their sole discretion, agree in writing to an extension) automatically terminate if the payment of such portion of the Underwriting Fee (as defined in the Fee Letter) which pursuant to the Fee Letter is due and payable on the date on which the Interim Order is entered, has not been received by us, by the earlier of (i) 6:00 p.m., New York City time, on June 28, 2011 and (ii) 6:00 p.m., New York City time, on the initial date of the "first day hearings" for the Company.

[Remainder of this page intentionally left blank]

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We are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By_____
Name: Manochere Alamgir
Title: Executive Director

J.P. MORGAN SECURITIES LLC

By_____
Name:
Title:

We are pleased to have been given the opportunity to assist you in connection with this important financing.

Very truly yours,

JPMORGAN CHASE BANK, N.A.

By_____
Name:
Title:

J.P. MORGAN SECURITIES LLC

By_____
Name: J Wakefield Pryce
Title: Executive Director

Accepted and agreed to as of the date first written above by:

NEBRASKA BOOK COMPANY, INC.
for itself and each of its affiliates constituting the Company

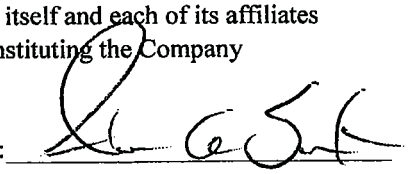
By: 

EXHIBIT A

Form Credit Agreement

J.P.Morgan

$200,000,000

SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT

among

NBC HOLDINGS CORP. and
NBC ACQUISITION CORP.,
each a Debtor and Debtor-in-Possession, as Guarantors,

NEBRASKA BOOK COMPANY, INC.,
a Debtor and Debtor-in-Possession, as Borrower,

The Several Lenders
from Time to Time Parties Hereto,

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and
Collateral Agent,

Dated as of June ___, 2011

J.P. MORGAN SECURITIES LLC
as Sole Arranger and Sole Bookrunner

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I	Form of Borrowing Base Certificate
F	Form of Interim Order

This SECURED SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT (this "Agreement"), dated as of [_____ __,] 2011, among NBC Holdings Corp., a Delaware corporation ("SuperHoldings"), NBC Acquisition Corp., a Delaware corporation ("Holdings"), Nebraska Book Company, Inc., a Kansas corporation (the "Borrower"), each of which is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders") and JPMORGAN CHASE BANK, N.A., as administrative agent and collateral agent (in such capacity, the "Administrative Agent").

PRELIMINARY STATEMENTS

On June [___], 2011 (the "Petition Date"), the Debtors (such term and other capitalized terms used in these recitals being used with the meanings given to such terms in Section 1.1) filed voluntary petitions with the Bankruptcy Court initiating the Cases and have continued in the possession of their assets and in the management of their businesses pursuant to Bankruptcy Code Sections 1107 and 1108;

Pursuant to this Agreement and the Orders, the Lenders are making available to the Borrower a $125,000,000 debtor-in-possession term loan facility (the "Term Loan Facility") and a $75,000,000 debtor-in-possession revolving facility (the "Revolving Facility");

The proceeds of the Loans will be used for working capital purposes of the Borrower, the other Loan Parties and their respective Subsidiaries (including without limitation, for the payment of fees and expenses incurred in connection with entering into this Agreement, the Cases and the transactions contemplated hereby, the repayment of loans outstanding under the Prepetition Credit Agreement and cash collateralization of the Prepetition Letters of Credit), in all cases subject to the terms of this Agreement and the Orders;

To provide guarantees for the repayment of the Loans and the payment of the other Obligations of the Loan Parties hereunder and under the other Loan Documents, the Loan Parties are providing to the Administrative Agent and the Lenders, pursuant to this Agreement, the other Loan Documents and the Orders, the following (each as more fully described herein or therein, as applicable):

(a) a guarantee from each of the Debtors other than the Borrower of the due and punctual payment and performance of the Obligations of the Borrower;

(b) an allowed administrative expense claim entitled to the benefits of Bankruptcy Code Section 364(c)(1) in each of the Cases, having superpriority over any and all administrative expenses of the kind specified in Bankruptcy Code Sections 503(b) or 507(b);

(c) pursuant to Bankruptcy Code Section 364(c)(2) a perfected first priority Lien on all present and after-acquired property of the Debtors not subject to a valid, perfected and non-avoidable Lien on the Petition Date, excluding, in all cases, with respect to the obligations of Loan Parties under any Loan Document, (i) 35% of the Capital Stock of any new or existing Foreign Subsidiary (including, for the avoidance of doubt, 100% of the issued and outstanding Capital Stock of any new or existing Foreign Subsidiary not owned directly by a Debtor) and (ii) 35% of the Capital Stock of any Subsidiary substantially all of whose assets

consist of Capital Stock of one or more Foreign Subsidiaries (any Capital Stock so excluded, collectively, the "Excluded Equity Interests");

(d) pursuant to Bankruptcy Code Section 364(c)(3) a perfected junior Lien on all present and after-acquired property of the Debtors that is otherwise subject to a valid, perfected and non-avoidable Lien on the Petition Date (other than Liens securing the Debtors' Prepetition Obligations and Liens that are junior to the Liens securing the Debtors' Prepetition Obligations) or a valid Lien perfected (but not granted) after the Petition Date to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code, excluding, in all cases, the Excluded Equity Interests;

(e) pursuant to Bankruptcy Code Section 364(d)(1) a perfected first priority, senior priming Lien on (i) all present and after-acquired property of the Debtors that is subject to a Lien on or after the Petition Date to secure the Debtors' Prepetition Obligations other than the Lien on the L/C Cash Collateral, (ii) all present and after-acquired assets that are presently subject to Liens that are junior to the Liens that secure the Debtors' Prepetition Obligations and (iii) the Liens granted after the Petition Date to provide adequate protection in respect of the Prepetition Obligations or obligations secured by Liens that are junior to the Liens that secure the Debtors' Prepetition Obligations;

It is understood and agreed that, subject to the Orders, (i) to the extent any Liens created prior to the Petition Date on any Collateral are avoided, such Collateral will be automatically subject to the first priority Liens securing the Obligations and (ii) the foregoing Liens and Superpriority Claims shall be subject and subordinate to the Carve Out (other than with respect to the L/C Cash Collateral).

NOW, THEREFORE, in consideration of the premises and the agreements hereinafter set forth, the parties hereto hereby agree as follows:

Section 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"Account": as defined in the UCC in effect in the State of New York from time to time.

"Administrative Agent": as defined in the preamble hereto.

"Affiliate": as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

"Agreement": as defined in the preamble hereto.

"Applicable Margin": (a) for the Term Loans, (i) 6.00% per annum in the case of Base Rate Loans and (ii) 7.00% per annum in the case of Eurodollar Loans and (b) for the Revolving Credit Loans, (i) 2.50% per annum in the case of Base Rate Loans and (ii) 3.50% per annum in the case of Eurodollar Loans.

"Applicable Percentage": as to any Lender at any time, the percentage which such Lender's unutilized Commitments and Exposure then constitutes of the aggregate unutilized Commitments and Exposures of all Lenders.

"Applicable Revolving Percentage": as to any Revolving Lender at any time, the percentage which such Revolving Lender's Revolving Credit Commitment then constitutes of the Total Revolving Credit Commitments (or, at any time after the Revolving Credit Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Revolving Lender's Revolving Credit Exposure then outstanding constitutes of the aggregate principal amount of the Total Revolving Credit Exposure then outstanding).

"Applicable Term Loan Percentage": as to any Term Lender at any time, the percentage which such Term Lender's Term Loan Commitment then constitutes of the Total Term Loan Commitments (or, at any time after the First Availability Date, the percentage which the aggregate principal amount of such Term Lender's Term Loan Exposure and unutilized Term Loan Commitment then outstanding constitutes of the aggregate principal amount of the Total Term Loan Exposure and total unutilized Term Loan Commitments then outstanding).

"Application": an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to open a Letter of Credit.

"Approved Fund": as defined in Section 10.6(b).

"Arranger": J.P. Morgan Securities LLC.

"Asset Sale": any Disposition of Property or series of related Dispositions of Property (excluding any such Disposition permitted by clause (a), (b) or (c) of Section 7.5).

"Assignee": as defined in Section 10.6(b).

"Assignment and Assumption": an Assignment and Assumption, substantially in the form of Exhibit E.

"Banking Services": each and any of the following bank services provided to any Loan Party by any Lender or any of its Affiliates (at the time such service is provided): (a) credit cards for commercial customers (including, without limitation, "commercial credit cards" and purchasing cards), (b) stored value cards and (c) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

"Banking Services Obligations": any and all obligations of the Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services but excluding Prepetition Banking Services Obligations.

"Bankruptcy Code": the Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. §§101 et seq.

"Bankruptcy Court": the United States Bankruptcy Court for the District of Delaware, or any other court having jurisdiction over the Cases from time to time.

"Bankruptcy Event": with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"Base Rate": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Eurodollar Rate for a Eurodollar Loan with a one-month interest period commencing on such day plus 1.0% (provided that, for the avoidance of doubt, the Eurodollar Rate for any day shall be based on the rate appearing on the Reuters Screen LIBOR01 Page (or any successor or substitute page) at approximately 11:00 a.m. London time on such day). For purposes hereof: "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime or base rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by JPMorgan Chase Bank, N.A. in connection with extensions of credit to debtors). Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or such Eurodollar Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the Federal Funds Effective Rate or such Eurodollar Rate, respectively. Notwithstanding the foregoing, in the case of the Term Loans only, the Base Rate shall not be less than 2.25% per annum.

"Base Rate Loans": Loans the rate of interest applicable to which is based upon the Base Rate.

"Benefitted Lender": as defined in Section 10.7.

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Bookstore": any business establishment that has as its primary business the sale of textbooks.

"Borrower": as defined in the preamble hereto.

"Borrowing": (a) Revolving Credit Loans of the same Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, and (b) a Protective Advance.

"Borrowing Base": at any time, the sum of:

(a) the product of (i) 85% multiplied by (ii) the Eligible Accounts Receivable of the Loan Parties at such time *minus* the Dilution Reserve, *minus*, without duplication, any other Reserve related to Accounts, *plus*

(b) the lesser of (i) the product of (x) 55% (65% during the Peak Period) multiplied by (y) the Eligible Inventory of the Loan Parties, valued at the lower of cost or market value, at such time, *minus*, without duplication, Inventory Reserves and (ii) the product of 85% *multiplied by* the Net Orderly Liquidation Value percentage identified in the most recent inventory appraisal ordered by the Administrative Agent *multiplied by* the Eligible Inventory of the Loan Parties, valued at the lower of cost or market value, at such time *minus*, without duplication, Inventory Reserves, *minus*

(c) the sum of (i) the Rent Reserve, (ii) the Carve Out Reserve and (ii) without duplication, any other Reserve in the Permitted Discretion of the Administrative Agent.

The Administrative Agent may, in its Permitted Discretion, reduce the advance rates set forth above, adjust Reserves or reduce one or more of the other elements used in computing the Borrowing Base, with any such changes to be effective three Business Days after delivery of notice thereof to the Borrower and the Lenders. The Borrowing Base at any time shall be determined by reference to the most recent Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 6.2(g).

At the time of any disposition of a Loan Party, or a sale of all or substantially all of the assets of a Loan Party, the Borrower shall give the Administrative Agent written notice of such disposition together with such information as shall be required for the Administrative Agent to adjust the Borrowing Base to reflect such disposition.

"Borrowing Base Certificate": a certificate in substantially the form of Exhibit I hereto (with such changes thereto from time to time as may reasonably be required by the Administrative Agent to reflect the components of and reserves against the Borrowing

Base as provided for herein), executed and certified by a Responsible Officer of the Borrower, which certificate shall include appropriate exhibits, schedules, supporting documentation and additional reports (i) as outlined in Schedule 1 to Exhibit I and (ii) as provided for in Section 6.2(g).

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Budget": the consolidated forecasts of the consolidated income statement of Holdings and its Subsidiaries for each fiscal month, beginning with fiscal month April 2011 through and including fiscal month June 2012, of the consolidated cash flows and balance sheet of Holdings and its Subsidiaries for each fiscal quarter until and including the second quarter of 2012 and of the Borrowing Base and weekly cash receipts and disbursements of Holdings and its Subsidiaries for each fiscal month, beginning with fiscal month April 2011 through and including fiscal month March 2012, including the material assumptions on which such forecasts were based (including, but not limited to, future cost reduction initiatives), and setting forth the anticipated disbursements and uses of the Loans and Letters of Credit.

"Business": as defined in Section 4.17.

"Business Day": (i) for all purposes other than as covered by clause (ii) below, a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close and (ii) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day which is a Business Day described in clause (i) and which is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"Carve Out": as defined in Section 2.24(a).

"Carve Out Reserves": at any time, such reserves as the Administrative Agent, from time to time, determines in its Permitted Discretion as being appropriate to reflect (i) the remaining available amount of the Carve Out at such time, if any and (ii) the accrued but unpaid fees, costs and expenses of professionals retained by the Loan Parties

and any Committee at such time, in each case as set forth in the most recently delivered Borrowing Base Certificate.

"Cases": one or more cases under Chapter 11 of the Bankruptcy Code with respect to which the Debtors are the debtors and debtors-in-possession.

"Cash Collateral": as defined in Section 363(a) of the Bankruptcy Code.

"Cash Dominion Period": (a) each period when an Event of Default shall have occurred and be continuing and (b) each period beginning on a date on which Revolving Credit Availability is less than the greater of (i) 25% of the Total Revolving Credit Commitments and (ii) $18,750,000; provided that any Cash Dominion Period commencing under this clause (b) shall be discontinued when and if Revolving Credit Availability shall be greater than such specified level for 60 consecutive days, provided further, however, that a Cash Dominion Period may be discontinued no more than twice in any period of 12 consecutive months.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-1 by Standard & Poor's Ratings Services ("S&P") or P-1 by Moody's Investors Service, Inc. ("Moody's"), or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; or (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"Cash Flow Forecast": as defined in Section 6.2(m).

"Closing Date": such date (which in no event shall be more than five Business Days following the Interim Order Entry Date (or such later date as the Administrative Agent may agree in its sole discretion)), on which the conditions precedent set forth in Section 5.1 shall have been satisfied or waived by the Arranger and the Term Loan shall have been funded.

"Code": the Internal Revenue Code of 1986, as amended.

"Collateral": all Property of the Loan Parties, now owned or hereafter acquired, as more particularly described and referred to as "DIP Collateral" in the Orders, and shall include any property upon which a Lien is purported to be created by this Agreement, any Security Document, the Orders or any additional orders of the Bankruptcy Court under the Cases (but shall exclude any Excluded Equity Interests).

"Collateral Access Agreement": as defined in the Guarantee and Collateral Agreement.

"Collection Account": as such term is defined in the Guarantee and Collateral Agreement.

"Commitment Fee Rate": 0.50% per annum.

"Commitment": as to any Lender, collectively, such Lender's Revolving Credit Commitment and Term Loan Commitment.

"Committee": any statutory committee appointed in the Cases.

"Commonly Controlled Entity": an entity, whether or not incorporated, which is under common control with any Loan Party within the meaning of Section 4001 of ERISA or is part of a group which includes any Loan Party and which is treated as a single employer under Section 414 of the Code.

"Compliance Certificate": a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

"Concentration Account": as defined in the Guarantee and Collateral Agreement.

"Conduit Lender": any special purpose corporation organized and administered by any Lender for the purpose of making Loans otherwise required to be made by such Lender and designated by such Lender in a written instrument; provided, that the designation by any Lender of a Conduit Lender shall not relieve the designating Lender of any of its obligations to fund a Loan under this Agreement if, for any reason, its Conduit Lender fails to fund any such Loan, and the designating Lender (and not the Conduit Lender) shall have the sole right and responsibility to deliver all consents and waivers required or requested under this Agreement with respect to its Conduit Lender, and provided, further, that no Conduit Lender shall (a) be entitled to receive any greater amount pursuant to Section 2.16, 2.17, 2.18 or 10.5 than the designating Lender would

have been entitled to receive in respect of the extensions of credit made by such Conduit Lender or (b) be deemed to have any Revolving Credit Commitment.

"Confirmation Order": an order of the Bankruptcy Court confirming the Reorganization Plan.

"Consolidated EBITDA": for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any non-cash extraordinary, unusual or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets outside of the ordinary course of business and excluding any non-cash expense to the extent that it represents an accrual of or reserve for cash expenditures in any future period), (f) any other non-cash charges, (g) (x) any costs, fees, expenses or disbursements of attorneys, consultants or advisors to the Borrower and its Subsidiaries and to the Committee, in each case, incurred in connection with the events leading up to and the ongoing administration of the Cases, the Reorganization Plan and any other financial restructuring and the negotiation, execution and documentation of the Facilities and any amendments, waivers or other modifications to the Prepetition Credit Agreement or this Agreement, together with any such costs, fees, expenses or disbursements paid to the attorneys, consultants and advisors of the agents and lenders in connection therewith; provided that the amounts added back to Consolidated EBITDA pursuant to this clause (g)(x) in any period of three consecutive fiscal months shall not exceed 120% of the amount projected in the Budget for such costs, fees, expenses and disbursements for such period, and (y) any upfront, arrangement or other fees paid by the Loan Parties in connection with the Facilities, and (h) charges, premiums and expenses associated with the discharge of Prepetition Indebtedness and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (x) interest income, (y) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (z) any other non-cash income, all as determined on a consolidated basis.

"Consolidated Net Income": for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the

Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

Notwithstanding the foregoing, (i) Consolidated Net Income for any period will be adjusted, on a Pro Forma Basis to take into account the effect of any acquisition or disposition involving the acquisition or disposition of a Subsidiary, or a business unit, division, product line or line of business during such period, as if such acquisition or disposition (and any related incurrence or prepayment of Indebtedness) had occurred on the first day of such period and (ii) cash income attributable to rentals shall be recognized consistent with the prior practice of the Borrower and not giving effect to any deferral of revenue for such rental income pursuant to any accounting methodology implemented after the Closing Date.

"Contingent Obligations": any contingent indemnification obligations for which no claim has been made, it being understood the following and similar obligations shall not constitute Contingent Obligations: (a) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any Obligation and (b) contingent reimbursement obligations in respect of amounts that may be drawn under outstanding Letters of Credit.

"Continuing Directors": as defined in Section 8.1(j) hereof.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

"Credit Party": the Administrative Agent, the Issuing Lender or any other Lender.

"Debtor": SuperHoldings, Holdings, the Borrower and their respective Subsidiaries.

"Default": any of the events specified in Section 8.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Defaulted Account": as defined in the definition of the "Eligible Accounts Receivable".

"Defaulting Lender": any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender promptly notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has

made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

"Deposit Account": as defined in the Guarantee and Collateral Agreement.

"Deposit Account Control Agreement": as defined in the Guarantee and Collateral Agreement.

"Dilution Factors": without duplication, with respect to any period, the aggregate amount of all deductions, credit memos, returns, adjustments, allowances, bad debt write-offs and other non-cash credits which are recorded to reduce accounts receivable in a manner consistent with current and historical accounting practices of the Borrower.

"Dilution Ratio": at any date, (i) the amount (expressed as a percentage) equal to (a) the aggregate amount of the applicable Dilution Factors for the twelve (12) most recently ended fiscal months divided by (b) total gross sales for the twelve (12) most recently ended fiscal months *less* (ii) 5%.

"Dilution Reserve": at any date, the product of the applicable Dilution Ratio multiplied by the Eligible Accounts Receivable on such date.

"Disposition": with respect to any Property, any sale, sale and leaseback, assignment, conveyance, transfer or other disposition thereof; and the terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" and "$": dollars in lawful currency of the United States of America.

"Domestic Subsidiary": any Subsidiary of the Borrower organized under the laws of any jurisdiction within the United States of America.

"Effective Date": the effective date of the Reorganization Plan.

"Eligible Accounts Receivable": at the time of any determination, the gross outstanding balance at such time, determined in accordance with GAAP and stated on a basis consistent with the historical practices of the Borrower as of the date hereof, of Accounts of the Borrower and its Subsidiaries, including the aggregate amount of all Past-due Addbacks *less*, as applicable and without duplication, the aggregate amount of

(i) all charge-backs for returns, (ii) all finance agreements, (iii) all trade discounts, (iv) all finance charges, late fees and other fees that are unearned and (v) the aggregate amount of all reserves for service fees and such other fees or commissions or similar amounts that the Borrower or such Subsidiary has agreed to pay. Notwithstanding the foregoing, an Account shall not be included in this definition of Eligible Accounts Receivable if, at the time of any determination, without duplication:

(a) the Borrower or such Subsidiary has not complied with all material requirements of applicable Federal, state and local laws, rules, regulations and orders (including all laws, rules, regulations and orders of any governmental or judicial authority relating to truth in lending, billing practices, fair credit reporting, equal credit opportunity, debt collection practices and consumer debtor protection) applicable to such Account (or any related contracts) or affecting the collectibility of such Account; or

(b) (i) such Account is not assignable or requires consent of the Account debtor and such a requirement of consent is enforceable law or (ii) a first priority security interest in such Account in favor of the Administrative Agent for the ratable benefit of the Lenders has not been obtained and fully perfected by filing UCC financing statements against the Borrower or such Subsidiary; or

(c) such Account is subject to any Lien whatsoever other than Liens expressly permitted by clause (h) of Section 7.3 and other than the Carve-Out, any junior Liens for the benefit of any Prepetition Lender and the Liens permitted under Section 7.3(h) and Section 7.3(m) of the Prepetition Credit Agreement as in effect on the date hereof; or

(d) the Borrower or such Subsidiary, in order to be entitled to collect such Account, is required to perform any additional service for, or perform or incur any additional obligation to, the Account debtor, except the portion of such Account that has arisen in respect of the sale of any Information Systems Inventory; or

(e) such Account does not constitute a legal, valid and binding irrevocable payment obligation of the Account debtor to pay the balance thereof in accordance with its terms or is subject to any defense, setoff, recoupment or counterclaim; or

(f) the Account debtor is an Affiliate, division or employee of the Borrower or such Subsidiary; or

(g) (i) such Account (A) is an account of the United States Government or any of its agencies or instrumentalities, (B) is subject to any Lien pursuant to the Federal Assignment of Claims Act and (C) the Administrative Agent has not received an assignment of claims in form and substance satisfactory to it within 45 days of the creation of such Account or (ii) such Account is (A) an account of the government of any state of the United States or any political

subdivision thereof or any agency or instrumentality of any of the foregoing and (B) a first priority security interest in such account in favor of the Administrative Agent for the ratable benefit of the Lenders has not been obtained or a UCC financing statements against the Borrower or such Subsidiary has not been filed; or

(h) an estimated or accrual loss has been recognized in respect of such Account, as determined in accordance with the Borrower's or such Subsidiary's usual business practice (each such Account, a "Defaulted Account"); or

(i) 20% or more of the aggregate outstanding amount of all Accounts from the Account debtor in respect of such Account and its Affiliates constitute Defaulted Accounts; or

(j) any representation or warranty contained in this Agreement or in any other Loan Documents applicable either to Accounts in general or to any such specific Account shall prove to have been false or misleading in any material respect when made or deemed made with respect to such Account; or

(k) 50% or more of the outstanding amount of all Accounts from the same Account debtor have become, or have been determined by the Administrative Agent to be, ineligible pursuant to subparagraph (m) below; or

(l) the Account debtor (i) has filed a petition for relief under the Bankruptcy Code (or similar action under any successor law or under any comparable law), (ii) has made a general assignment for the benefit of creditors, (iii) has filed against it any petition or other application for relief under the Bankruptcy Code (or similar action under any successor law or under any comparable law), (iv) has failed, suspended business operations, become insolvent, called a meeting of its creditors for the purpose of obtaining any financial concession or accommodation or (v) had or suffered a receiver or a trustee to be appointed for all or a significant portion of its assets or affairs; or

(m) (i) any portion of such Account has remained unpaid 90 or more days past the original invoice date thereof or (ii) the Borrower or such Subsidiary has reason to believe that all or a material portion of such Account is uncollectible (in the reasonable discretion of the Administrative Agent); or

(n) [Reserved]; or

(o) the sale represented by such Account is to an Account debtor organized or located outside the states of the United States, the District of Columbia or Canada unless, in the case of any Account debtor controlled by an entity organized or located outside one of the states of the United States or the District of Columbia, the Administrative Agent has, for the benefit of the Lenders, a valid, legal and perfected first-priority security interest in such Account; or

(p) the Account debtor is a supplier or creditor of the Borrower or such

Subsidiary (but only to the extent of the lesser of (i) the amount owing from such Account debtor to the Borrower or such Subsidiary pursuant to Accounts that are otherwise eligible and (ii) the amount owing to such Account debtor by the Borrower or such Subsidiary); or

(q) such Account is not denominated in dollars or is payable outside the United States; or

(r) if applicable, the sale represented by such Account is on a bill-and-hold, undelivered sale, guaranteed sale, sale-or-return, consignment or sale-on-approval basis or is subject to any right of return (other than (i) in the ordinary course of business or (ii) a standard right of claim for defective goods for which neither the related Account debtor has made a claim nor the Borrower or such Subsidiary has any basis to believe that such Account debtor is entitled to such a claim), charge-back or setoff; or

(s) the Administrative Agent believes, in its reasonable discretion, that the collection of such Account may not be paid and the Administrative Agent shall so notify the Borrower; or

(t) the Borrower or such Subsidiary is in default, in any material respect, in the performance or observance of any of the terms of any agreement giving rise to such Account; or

(u) the Borrower or such Subsidiary does not have good and marketable title to such Account as sole owner of such Account; or

(v) such Account does not arise from the sale and delivery of goods or provision of services in the ordinary course of business of the Borrower or such Subsidiary to the Account debtor; or

(w) such Account is on terms other than those normal or customary in the business or the Borrower or such Subsidiary; or

(x) any amounts payable under or in connection with such Account are evidenced by promissory notes, agreements to repay cash advances or other instruments, unless such promissory notes, agreements or instruments have been endorsed and delivered to the Administrative Agent; or

(y) such Account has been paid by a check that has been returned for insufficient funds; or

(z) the Account debtor is a third party credit card company or a debit card company; or

(aa) such Account is not subject to the standard credit and collection policies of the Borrower or such Subsidiary; or

(bb) such Account has been placed with an attorney or other third party for collection; or

(cc) the aggregate credit balances of the Borrower or such Subsidiary on an Account debtor by Account debtor basis of all Accounts have remained unpaid for the past due amounts referenced in subparagraphs (m) and (n) above; or

(dd) such Account is subject to any adverse security deposit, retainage or other similar advance made by or for the benefit of the applicable Account debtor, in each case only to the extent thereof; or

(ee) such Account was invoiced (i) in advance of goods or services provided, or (ii) twice or more, or (iii) the associated income has not been earned; or

(ff) the goods giving rise to such Account have not been shipped and title has not been transferred to the Account debtor, or the Account represents a progress-billing or otherwise does not represent a complete sale, except the portion of such Account that has arisen in respect of the sale of any Information Systems Inventory; for purposes hereof, "progress-billing" means any invoice for goods sold or leased or services rendered under a contract or agreement pursuant to which the Account debtor's obligation to pay such invoice is conditioned upon the Borrower's or such Subsidiary's completion of any further performance under the contract or agreement; or

(gg) such Account is created on cash on delivery terms;

provided that, all Accounts of any single Account debtor and its Affiliates which, in the aggregate exceed (i) 20% in respect of an Account debtor whose securities are rated Investment Grade, and (ii) 15% in respect of all other Account debtors, of the total amount of all Accounts at the time of any determination shall be deemed not to be Eligible Accounts Receivable to the extent of such excess. Standards of eligibility may be made more restrictive from time to time solely by the Administrative Agent in the exercise of its Permitted Discretion, with any such changes to be effective three Business Days after delivery of notice thereof to the Borrower and the Lenders.

"Eligible Inventory": at any date of determination thereof, the value (determined at the lowest of cost or market or the written-down value in accordance with the Borrower's historical practice in accordance with GAAP) at such date of all inventories ("Inventory") of the Borrower and its Subsidiaries owned by the Borrower and its Subsidiaries and in the possession of the Borrower and its Subsidiaries or any warehouseman, bailee, agent or processor of the Borrower and its Subsidiaries, including any educational institution or commercial Bookstore, *net of* (i) any interdivisional profit, (ii) any amounts payable by the Borrower and its Subsidiaries in respect of commissions, processing fees or other charges and (iii) any advance payments and unliquidated

progress billings in respect of such Inventory. Notwithstanding the foregoing, Inventory shall not constitute Eligible Inventory if, without duplication:

(a) such item of Inventory is not assignable or a first priority security interest in such item of Inventory in favor of the Administrative Agent for the ratable benefit of the Lenders has not been obtained and fully perfected by filing UCC financing statements against the Borrower or such Subsidiary; or

(b) such item of Inventory is subject to any Lien whatsoever; other than Liens expressly permitted by clause (h) of Section 7.3 and other than the Carve-Out, any junior Liens for the benefit of any Prepetition Lender and the Liens permitted under Section 7.3(h) and Section 7.3(m) of the Prepetition Credit Agreement as in effect on the date hereof; or

(c) there shall have occurred any event that, or any condition with respect to such item of Inventory, would substantially impede the ability of the Borrower or such Subsidiary to continue to use or sell such item of Inventory in the normal course of business; or

(d) any claim disputing the title of the Borrower or such Subsidiary to, or right to possession of or dominion over, such item of Inventory shall have been asserted; or

(e) any representation or warranty contained in this Agreement or in any other Loan Document applicable to either Inventory in general or to such specific item of Inventory has been breached with respect to such item of Inventory; or

(f) the Borrower or such Subsidiary does not have good and marketable title to such item of Inventory as sole owner of such item of Inventory; or

(g) such item of Inventory is located outside of the United States; or

(h) such item of Inventory is evidenced by an Account; or

(i) such item of Inventory consists of packing, packaging and/or shipping supplies or materials; or

(j) such item of Inventory has been shipped to a customer, even if on a consignment or "sale or return" basis; or

(k) such item of Inventory consists of obsolete Information Systems Inventory or Retail Inventory, including books and related materials with titles classified as slow-moving; or

(l) such item of Inventory consists of any unsaleable Inventory; or

(m) such item of Inventory is located at a leased property, or is in the possession or control of any lessor, warehouseman, bailee, agent or processor, unless (i) with respect to any Inventory located in a Priming Jurisdiction, (A) a Rent Reserve of the type specified in clause (i) of the definition of "Rent Reserve" has been established for Inventory at that location, or (B) the applicable lessor, warehouseman, bailee, agent or processor (including any educational institution or commercial Bookstore), has been notified of the Lien granted under the Security Documents and has entered into a Landlord Waiver or (ii) with respect to any Inventory located in a jurisdiction that is not a Priming Jurisdiction, (A) a Rent Reserve of the type specified in clause (ii) of the definition of "Rent Reserve" has been established for Inventory at that location or (B) the applicable lessor, warehouseman, bailee, agent or processor (including any educational institution or commercial Bookstore), has been notified of the Lien granted under the Security Documents and has entered into a Landlord Waiver; or

(n) such item of Inventory consists of food, beverages or sundries; or

(o) such item of Inventory consists of cigarettes; or

(p) such item of Inventory is to be sold by the Borrower or such Subsidiary from a vending machine; or

(q) such item of Inventory has been determined by the Administrative Agent, exercising its reasonable discretion, to be unacceptable because (i) the Administrative Agent believes that such item of Inventory is not readily saleable under the customary terms on which it is usually sold or (ii) such item of Inventory (other than Information Systems Inventory) is not of a type typically sold by campus Bookstores; or

(r) such item of Inventory is goods returned or rejected by the Borrower's or such Subsidiary's customers due to quality issues or is goods in transit to a third party; or

(s) such item of Inventory is a reserve computed by the Borrower or such Subsidiary to accrue for future adjustments to Inventory relating to inaccuracies arising from the utilization of the gross profit method of accounting for Retail Inventory; or

(t) such item of Inventory is an accrual computed by the Borrower or such Subsidiary to accrue for anticipated returns of sold Inventory.

Standards of eligibility may be made more restrictive from time to time solely by the Administrative Agent in the exercise of its Permitted Discretion, with any such changes to be effective three Business Days after delivery of notice thereof to the Borrower and the Lenders.

"Environmental Laws": any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any

Governmental Authority or other Requirements of Law (including common law), in each case having the force or effect of law, regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal) of reserve requirements in effect on such day (including, without limitation, basic, supplemental, marginal and emergency reserves under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto) dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurodollar Base Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Reuters Screen LIBOR01 Page (or on any successor or substitute page of such Service providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to dollar deposits in the London interbank market) as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate is not available at such time for any reason, "Eurodollar Base Rate" for purposes of this definition shall be determined by reference to such other comparable publicly available service for displaying eurodollar rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered Dollar deposits at or about 11:00 A.M., New York City time, two Business Days prior to the beginning of such Interest Period in the interbank eurodollar market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein. Notwithstanding the foregoing, in the case of the Term Loans only, the Eurodollar Base Rate shall not be less than 1.25% per annum.

"Eurodollar Loans": Loans the rate of interest applicable to which is based upon the Eurodollar Rate.

"Eurodollar Rate": with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurodollar Base Rate}}{\text{1.00 - Eurocurrency Reserve Requirements}}$$

"Eurodollar Tranche": the collective reference to Eurodollar Loans the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8.1, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excluded Equity Interests": as defined in the preliminary statements hereto.

"Excluded Foreign Subsidiary": any Foreign Subsidiary.

"Excluded Taxes": with respect to any payment made by any Loan Party under any Loan Document, any of the following Taxes imposed on or with respect to a Credit Party: (a) income or franchise Taxes imposed on (or measured by) net income by the United States of America, or by the jurisdiction under the laws of which such Credit Party is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits Taxes imposed by the United States of America or any similar Taxes imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Non-U.S. Lender (other than an assignee pursuant to a request by the Borrower under Section 2.21), any U.S. withholding Taxes resulting from any Requirement of Law in effect (including FATCA) on the date such Non-U.S. Lender becomes a party to this Agreement (or designates a new lending office) or is attributable to such Non-U.S. Lender's failure to comply with Section 2.17(f), except to the extent that such Non-U.S. Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Loan Party with respect to such withholding Taxes pursuant to Section 2.17(a).

"Exposure": as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Loans made by such Lender then outstanding, (b) such Lender's Applicable Revolving Percentage of the L/C Obligations then outstanding and (c) such Lender's Applicable Revolving Percentage of the aggregate principal amount of Protective Advances then outstanding.

"Facilities": the Revolving Facility and the Term Loan Facility.

"FATCA": Sections 1471 through 1474 of the Code, as of the date of this Agreement and any regulations or official interpretations thereof.

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Reference Lender from three federal funds brokers of recognized standing selected by it.

"Fee Letter": the Fee Letter, dated June [_], 2011, among the Borrower, JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC.

"Final Revolving Credit Loans": as defined in Section 2.1(a).

"Final Order": an order of the Bankruptcy Court entered in the Cases, in substantially the form of the Interim Order, with such modifications thereto as are in form and substance reasonably satisfactory to the Administrative Agent.

"Final Order Entry Date": the date the Final Order is entered in the Cases.

"First Availability Date": the first date on or following the Closing Date that the conditions precedent set forth in Sections 5.1 and 5.3 shall have been satisfied (or waived in accordance with Section 10.1).

"Foreign Benefit Arrangement": any employee benefit arrangement mandated by non-US law that is maintained or contributed to by any Loan Party.

"Foreign Plan": each employee benefit plan (within the meaning of Section 3(3) of ERISA, even though such Plan is not subject to ERISA) that is not subject to US law and is maintained or contributed to by any Loan Party.

"Foreign Subsidiary": any Subsidiary of the Borrower that is not a Domestic Subsidiary.

"Funding Office": the office specified from time to time by the Administrative Agent as its funding office by notice to the Borrower and the Lenders pursuant to Section 10.2.

"GAAP": generally accepted accounting principles in the United States of America.

"Governmental Authority": any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including, without limitation, the National Association of Insurance Commissioners).

"Guarantee and Collateral Agreement": the Guarantee and Collateral Agreement to be executed and delivered by SuperHoldings, Holdings, the Borrower and each Subsidiary Guarantor, substantially in the form of Exhibit A, as the same may be amended, supplemented or otherwise modified from time to time.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary

obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

"Guarantors": the collective reference to SuperHoldings, Holdings and the Subsidiary Guarantors.

"Holdings": as defined in the preamble hereto.

"Holdings Discount Notes": the 11% Senior Discount Notes of Holdings due 2013 and issued pursuant to the Holdings Discount Notes Indenture.

"Holdings Discount Notes Indenture": the Indenture dated as of March 4, 2004 entered into by Holdings in connection with the issuance of the Holdings Discount Notes, together with all instruments and other agreements entered into by Holdings in connection therewith, as the same may be amended, supplemented or otherwise modified from time to time.

"Indebtedness": of any Person 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 (other than current trade payables incurred in the ordinary course of such Person's business), (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 obligations of such Person, contingent or otherwise, as an account party under bankers' acceptance, letter of credit or similar facilities, (g) all obligations of such

Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Capital Stock (other than common stock) of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above; (i) all obligations of the kind referred to in clauses (a) through (h) 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 (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, (j) for the purposes of Section 8(e) only, all obligations of such Person in respect of Swap Agreements and (k) the liquidation value of any mandatorily redeemable preferred Capital Stock of such Person or its Subsidiaries held by any Person other than such Person and its Wholly Owned Subsidiaries.

"Indemnified Taxes": (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by any Loan Party under any Loan Document and (b) Other Taxes.

"Indentures": the collective reference to the Holdings Discount Notes Indenture, the Senior Subordinated Notes Indenture and the Senior Secured Notes Indenture.

"Information Systems Inventory": all Inventory located at the Borrower's warehouses consisting of computer hardware and software, including IBM point-of-sale register systems and related software.

"Initial Cash Flow Forecast": as defined in Section 5.1(r).

"Initial Letters of Credit": as defined in Section 5.1(p).

"Initial Revolving Credit Loans": as defined in Section 2.1(a).

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, patents, patent licenses, trademarks, domain names, trademark licenses, technology, know-how and processes, and any other confidential or proprietary information, all registrations and applications thereof, and all rights to sue at law or in equity for any past, present or future infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"Interest Payment Date": (a) as to any Base Rate Loan, the last day of each calendar month while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan , the last day of each consecutive 30 day period running from the commencement of the Interest Period applicable to such Loan and the

Termination Date, and (c) as to any Loan (other than any Revolving Credit Loan that is a Base Rate Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurodollar Loan (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the Termination Date shall end on the Termination Date;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month; and

(iv) the Borrower shall select Interest Periods so as not to require a payment or prepayment of any Eurodollar Loan during an Interest Period for such Loan.

"Interim Revolving Credit Loan Availability Amount": as defined in Section 5.1(p).

"Interim Order": an order of the Bankruptcy Court entered in the Cases granting interim approval of this Agreement and the other Loan Documents, and the contemplated borrowings and undertakings herein and therein by the Loan Parties, and granting the Liens on the Collateral and the Superpriority Claims described in the preliminary statements to this Agreement in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit G hereto, and otherwise in form and substance reasonably satisfactory to the Administrative Agent.

"Interim Order Entry Date": the date the Interim Order is entered in the Cases.

"Inventory": as defined in the definition of "Eligible Inventory".

"Inventory Reserves": reserves against Inventory equal to the sum of the following (but without duplication):

(a) RTV Reserves; and

(b) a reserve determined by the Administrative Agent in its Permitted Discretion for Inventory that it deems to be obsolete or which is discontinued or slow-moving; and

(c) a reserve for Inventory which is recognized as damaged or off quality or not to customer specifications by the Borrower; and

(d) a revaluation reserve whereby capitalized favorable variances shall be deducted from Eligible Inventory and unfavorable variances shall not be added to Eligible Inventory; and

(e) a lower of the cost or market value reserve for any differences between the Borrower's actual cost to produce versus its selling price to third parties, determined on a product line basis; and

(f) any other Reserves, including reserves for inventory shrinkage as deemed appropriate by the Administrative Agent in its Permitted Discretion, from time to time.

"Investment Grade": having a rating established by a third party rating agency equivalent to BBB- or better from S&P or Baa3 or better from Moody's.

"IRS" means the United States Internal Revenue Service.

"Issuing Lender": JPMorgan Chase Bank, N.A., in its capacity as the issuer of Letters of Credit hereunder. The Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Lender, in which case the term "Issuing Lender" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Landlord Waiver": a written agreement reasonably satisfactory in form and substance to the Administrative Agent (i) acknowledging that Inventory located at a leased property or in possession or control of any warehouseman, bailee, agent or processor is subject to the Lien granted under the Security Documents, (ii) waiving and releasing any applicable Lien held by such lessor, warehouseman, bailee, agent or processor with respect to such item of Inventory (whether arising by operation of law or otherwise) and (iii) providing the Administrative Agent with the right to receive notice of default, the right to repossess such item of Inventory at any time upon the occurrence or during the continuance of a Default or Event of Default and such other rights as may be reasonably required by the Administrative Agent.

"L/C Cash Collateral": the cash collateral pledged in support of the Prepetition Letters of Credit pursuant to Section 7.3(p).

"L/C Commitment": $10,000,000.

"L/C Fee Payment Date": the last day of each calendar month and the last day of the Revolving Credit Commitment Period.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit which have not then been reimbursed pursuant to Section 3.5.

"L/C Participants": the collective reference to all the Lenders other than the Issuing Lender.

"LC Exposure": at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all Reimbursement Obligations at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Revolving Percentage of the total LC Exposure at such time.

"Lenders": as defined in the preamble hereto; provided, that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include any Conduit Lender.

"Letters of Credit": as defined in Section 3.1(a).

"Lien": any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"Liquidity": on any date of determination, the sum, without duplication, of (i) the cash and Cash Equivalents which are not subject to any Liens (other than Liens securing the Obligations, customary bankers Liens, junior Liens in favor of any Prepetition Lender and the Carve-Out) held by the Borrower and its Subsidiaries on such date plus (ii) the aggregate Revolving Credit Availability on such date (provided that such amount shall be deemed to be zero if a Event of Default has occurred and is continuing on such date). Solely for the purposes of determining compliance with Section 7.1(a) (but not for any other purposes under this Agreement), the Borrower, by giving written notice to the Administrative Agent, may elect that Revolving Credit Availability shall, for a period of 28 consecutive days after a new discretionary Reserve has been implemented by the Administrative Agent, be calculated without giving effect to such new discretionary Reserve; provided that the Borrowing Base component of Revolving Credit Availability calculated for purposes of Section 7.1(a) shall at no time be more than the actual amount of the Borrowing Base (including such new discretionary Reserve) at such time plus $3,000,000.

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": this Agreement, the Security Documents and the Notes as the same may be amended, supplemented or otherwise modified from time to time.

"Loan Parties": SuperHoldings, Holdings, the Borrower and each other Subsidiary of SuperHoldings which is a party to a Loan Document.

"Material Adverse Effect": any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the business, assets, operations, condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole (other than (i) any events leading up to the filing of the Cases disclosed to the Lenders, (ii) the filing of the Cases and (iii) those events which customarily occur following the commencement of a proceeding under Chapter 11 of the Bankruptcy Code and other events ancillary thereto), (b) the ability of any Loan Party to perform any of its obligations under the Loan Documents to which it is a party, (c) the Collateral, or the Administrative Agent's Liens (on behalf of itself and the Lenders) on the Collateral or the priority of such Liens, or (d) the rights of or benefits available to the Administrative Agent, the Issuing Lender or the Lenders thereunder.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products or any hazardous or toxic substances, materials or wastes, defined or regulated as such in or under any Environmental Law, including, without limitation, asbestos, polychlorinated biphenyls and urea-formaldehyde insulation.

"Maturity Date": the first anniversary of the Closing Date.

"Moody's": as defined in the definition of "Cash Equivalents".

"Mortgaged Properties": the owned real properties listed on Schedule 1.1B, as to which the Administrative Agent for the benefit of the Lenders has been or shall be granted a Lien pursuant to the Mortgages.

"Mortgages": each mortgage referred to in Section 6.13 and each of the mortgages and deeds of trust made by any Loan Party in favor of, or for the benefit of, the Administrative Agent for the benefit of the Lenders and in form and substance reasonably satisfactory to the Administrative Agent, as the same may be amended, supplemented or otherwise modified from time to time.

"Multiemployer Plan": a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees,

accountants' fees, investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event (other than any Lien securing the Obligations or which is junior to the Liens securing the Obligations) but only to the extent the holders of such Indebtedness are not required to turn over any such proceeds to any or all of the Credit Parties, insurance proceeds applied to pay costs incurred in connection with the repair or restoration of any Property that is real property in the event of damage by casualty and other customary fees and expenses actually incurred in connection therewith and net of taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and (b) in connection with any issuance or sale of debt securities or instruments or the incurrence of loans, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary fees and expenses actually incurred in connection therewith.

"Net Orderly Liquidation Value": with respect to Inventory of the Borrower and its Subsidiaries, the orderly liquidation value thereof as determined in a manner reasonably acceptable to the Administrative Agent by an appraiser reasonably acceptable to the Administrative Agent, net of all costs of liquidation thereof.

"Non-Consenting Lender": as defined in Section 10.1.

"Non-U.S. Lender": a Lender that is not a U.S. Person.

"Notes": the collective reference to any promissory note evidencing Loans.

"Obligations": as defined in the Guarantee and Collateral Agreement.

"Orders": the collective reference to the Interim Order and the Final Order.

"Other Taxes": any present or future stamp, court, documentary, intangible, recording, filing or similar excise or property Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or from the registration, receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

"Parent": with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

"Participant": as defined in Section 10.6(c).

"Participant Register": as defined in Section 10.6(c).

"Past-due Addbacks": the aggregate amount of past due credit balances aged over 90 days from the original invoice date.

"Payment Office": the office specified from time to time by the Administrative Agent as its payment office by notice to the Borrower and the Lenders.

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Peak Period": the collective reference to (i) the period from and including May 1 of any year to and including August 31 of the same year and (ii) the period from and including December 1 of any year to and including January 15 of next succeeding year.

"Pension Act": the Pension Protection Act of 2006.

"Permitted Discretion": a determination made in good faith and in the exercise of reasonable (from the perspective of a secured asset-based lender) business judgment exercised in accordance with the Administrative Agent's customary and generally applicable credit practices.

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Petition Date": as defined in the preliminary statements hereto.

"Plan": at a particular time, any employee benefit plan (within the meaning of Section 3(3) of ERISA) which is covered by ERISA and in respect of which any Loan Party is (or, if such plan were terminated at such time, would under Section 4062 or 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA or with respect to which any Loan Party has or may reasonably be expected to have any liability (including any contingent liability of any Commonly Controlled Entity).

"Prepetition Agent": JPMorgan Chase Bank, N.A., in its capacity as administrative agent under the Prepetition Credit Agreement.

"Prepetition Banking Services Obligations": the "Banking Services Obligations" (as defined in the Prepetition Credit Agreement) existing on the Petition Date.

"Prepetition Credit Agreement": the Credit Agreement, dated as of February 13, 1998, as amended and restated as of December 10, 2003 and March 4, 2004 and October 2, 2009 and as amended on March 22, 2010, among the Borrower, SuperHoldings, Holdings, certain financial institutions and the Administrative Agent.

"Prepetition Lenders": the several banks and other financial institutions and entities from time to time parties to the Prepetition Credit Agreement.

"Prepetition Letters of Credit": as defined in Section 5.1(s).

"Prepetition Obligations": all the Debtors' "Obligations" (as defined in the Prepetition Credit Agreement), including Prepetition Banking Services Obligations and Prepetition Swap Obligations.

"Prepetition Secured Parties": the Prepetition Agent, the Prepetition Lenders and any other holder of Prepetition Obligations.

"Prepetition Swap Agreements": the "Swap Agreements" (as defined in the Prepetition Credit Agreement) existing on the Petition Date.

"Prepetition Swap Obligations": the "Swap Obligations" (as defined in the Prepetition Credit Agreement) existing on the Petition Date.

"Primary Investors": the collective reference to the Sponsors and their Related Parties, and any additional investment fund for which any of the Sponsors is the sole advisor or which is effectively controlled by any of the Sponsors.

"Priming Jurisdiction": any jurisdiction listed on Schedule 1.1C hereto, which schedule may be revised by the Administrative Agent to reflect changes in applicable law. The Administrative Agent shall provide the Borrower with ten days' prior written notice of any revisions to the jurisdictions listed on Schedule 1.1C hereto.

"Pro Forma Basis": with respect to any test hereunder in connection with any event, means that such test shall be calculated after giving effect on a pro forma basis for the period of such calculation to (i) such event as if it happened on the first day of such period (it being understood that with respect to any acquisition or disposition, any such adjustments shall be permitted solely to the extent they arise out of events which are directly attributable to the acquisition or the disposition, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Responsible Officer of the Borrower) or (ii) the incurrence of any Indebtedness by the Borrower or any Subsidiary and any incurrence, repayment, issuance or redemption of other Indebtedness of the Borrower or any Subsidiary occurring at any time subsequent to the last day of the applicable period and on or prior to the date of determination, as if such incurrence, repayment, issuance or redemption, as the case may be, occurred on the first day of such period.

"Prohibited Transaction": as defined in Section 406 of ERISA and Section 4975(f)(3) of the Code.

"Properties": as defined in Section 4.17.

"Property": any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Protective Advances": as defined in Section 2.23(a).

"Recovery Event": any settlement of or payment in respect of any property, title or casualty insurance claim or any condemnation proceeding relating to any asset of the Debtors.

"Reference Lender": the Administrative Agent.

"Register": as defined in Section 10.6(b).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse the Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit.

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Debtor in connection therewith which are not applied to prepay the Loans as a result of the delivery of a Reinvestment Notice.

"Reinvestment Event": any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

"Reinvestment Notice": a written notice executed by a Responsible Officer stating that no Event of Default has occurred and is continuing and that the Borrower (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire assets useful in its business.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire assets useful in the Borrower's business.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (a) the date occurring 90 days after such Reinvestment Event and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire assets useful in the Borrower's business with all or any portion of the relevant Reinvestment Deferred Amount.

"Related Credit Party": with respect to any Lender, any affiliate of such Lender and such Lender's and its affiliates' respective officers, directors, employees, agents and controlling persons.

"Related Party": with respect to any of the Sponsors (A) any controlling stockholder or partner, a direct or indirect 80% (or more) owned Subsidiary, or spouse or immediate family member (in the case of an individual) of such Sponsor, (B) any trust, corporation, partnership or other entity, the controlling beneficiaries, stockholders, partners or owners of which, directly or indirectly, consist of the Sponsor and/or such other Persons referred to in the immediately preceding clause (A) and/or in the succeeding clause (D), (C) any partner or stockholder of such Sponsor as of the Closing

Date who acquires any assets or voting stock of the Borrower or Holdings pursuant to a general distribution by such Sponsor to each of its partners or stockholders or (D) any officer or director of such Sponsor.

"Rent Reserve": on any date, (i) with respect to any retail store, distribution center, warehouse, or other location in a Priming Jurisdiction where any Eligible Inventory subject to a Lien arising by operation of contract and/or law is located and with respect to which no Landlord Waiver is in effect, a reserve equal to three months' rent at such retail store, distribution center, warehouse, or other location and (ii) with respect to any retail store, distribution center, warehouse, or other location in any jurisdiction that is not a Priming Jurisdiction where any Eligible Inventory subject to a Lien arising by operation of contract and/or law is located and with respect to which no Landlord Waiver is in effect, a reserve in an amount equal to the claims or Liens that vendors, landlords, public warehouse operators or any third party bailee may have against such Eligible Inventory.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reorganization Plan": a plan of reorganization in the Cases with respect to one or more of the Loan Parties.

"Report": reports prepared by the Administrative Agent or another Person showing the results of appraisals, field examinations or audits pertaining to the assets of any Loan Party from information furnished by or on behalf of any Loan Party, after the Administrative Agent has exercised its rights of inspection pursuant to this Agreement, which Reports shall be distributed to the Lenders by the Administrative Agent.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA or the regulations thereunder, other than those events as to which the thirty day notice period is waived under PBGC Regulations.

"Repricing Transaction": the prepayment or refinancing of all or any portion of the Term Loans concurrently with the incurrence by the Borrower or any of its Subsidiaries or any other Loan Parties of any indebtedness (other than under any exit financing on the Effective Date) having a lower cost of financing than, or any amendment to the Loan Documents that has the effect of reducing the interest rate margin then applicable to, the Term Loans (including any mandatory assignment in connection therewith).

"Required Lenders": at any time, Lenders having Exposure and unused Commitments representing more than 50% of the sum of all Exposure and unused Commitments at such time.

"Requirement of Law": as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other

Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"Reserved Local Blocked Account": as defined in the Guarantee and Collateral Agreement.

"Reserved Local Blocked Account Reserve": on any date, a reserve in an amount equal to the sum of the most recent Reserved Local Block Account Values of all Reserved Local Blocked Accounts.

"Reserved Local Blocked Account Value": as of the last day of each calendar month, for each Reserved Local Blocked Account, the greatest amount held in such Reserved Local Blocked Account at any time during the prior thirteen calendar months.

"Reserves": any and all reserves which the Administrative Agent deems necessary, in its Permitted Discretion, to maintain (including, without limitation, the Dilution Reserve, reserves for accrued and unpaid interest on the Obligations, reserves in respect of Banking Services, volatility reserves, Rent Reserves, the Reserved Local Blocked Account Reserve, reserves for Inventory shrinkage, reserves for customs charges and shipping charges related to any Inventory in transit, reserves for Swap Obligations, reserves for contingent liabilities of any Loan Party, reserves for uninsured losses of any Loan Party, reserves for uninsured, underinsured, un-indemnified or under-indemnified liabilities or potential liabilities with respect to any litigation and reserves for taxes, fees, assessments, and other governmental charges) with respect to the Collateral or any Loan Party.

"Responsible Officer": the chief executive officer, president or chief financial officer of the Borrower, but in any event, with respect to financial matters, the chief financial officer, vice president - finance or controller of the Borrower.

"Restricted Payment": as defined in Section 7.6.

"Retail Inventory": all Inventory located at a Bookstore consisting of: new and used textbooks, including any related study aids; general subject books; medical, technical and reference books; periodicals and magazines; clothing, including school insignia items; electronics; gifts; stationery and cards; school and office supplies and art; food, beverages and sundries; and all other items held for resale in the ordinary course of business.

"Revolving Credit Availability": at any time, an amount equal to (a) the lesser of (i) the Total Revolving Credit Commitments and (ii) the Borrowing Base (as determined by the Administrative Agent in its Permitted Discretion) *minus* (b) the Total Revolving Credit Exposure.

"Revolving Credit Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Credit Loans and participate in Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Credit Commitment" opposite such Lender's name on Schedule

1.1A or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The amount of the Total Revolving Credit Commitments on the Closing Date is $75,000,000.

"Revolving Credit Commitment Period": the period from and including the Closing Date to the Termination Date.

"Revolving Credit Loans": as defined in Section 2.1(a).

"Revolving Credit Exposure": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Revolving Lender then outstanding, (b) such Lender's Applicable Revolving Percentage of the L/C Obligations then outstanding and (c) such Revolving Lender's Applicable Revolving Percentage of the aggregate principal amount of Protective Advances then outstanding.

"Revolving Facility": as defined in the preliminary statements hereto.

"Revolving Lender": any Lender holding a Revolving Credit Commitment.

"Rollover Issuing Lender": JPMorgan Chase Bank, N.A., in its capacity as issuer of the Rollover Letters of Credit.

"Rollover Letters of Credit": the letter of credit or letters of credit described on Schedule 3.1 outstanding as of the Petition Date and issued under the Prepetition Credit Agreement.

"RTV Reserve": at any time, an amount equal to the amount of Inventory that is identified as to be returned to vendor.

"S&P": as defined in the definition of "Cash Equivalents".

"Second Availability Date": the date immediately following the occurrence of the Final Order Entry Date that the conditions precedent set forth in Sections 5.1, 5.2 and 5.3 shall have been satisfied (which in no event shall be more than five Business Days following the Final Order Entry Date (or such later date as the Administrative Agent may agree in its sole discretion)).

"Secured Parties": as defined in the Guarantee and Collateral Agreement.

"Security Documents": the collective reference to the Guarantee and Collateral Agreement, the Mortgages and all other security documents hereafter delivered to the Administrative Agent granting a Lien on any Property of any Person to secure the obligations and liabilities of any Loan Party under any Loan Document.

"Senior Secured Notes Indenture": the Indenture dated as of October 2, 2009 entered into by the Borrower and certain Subsidiary Guarantors in connection with the

issuance of the Senior Secured Notes, together with all instruments and other agreements entered into by the Borrower in connection therewith, each as amended, restated, supplemented or otherwise modified from time to time.

"Senior Secured Notes": the 10% Senior Secured Notes, as amended, of the Borrower due 2011 and issued pursuant to the Senior Secured Notes Indenture.

"Senior Subordinated Notes Indenture": the Indenture dated as of March 4, 2004 entered into by the Borrower and certain Subsidiary Guarantors in connection with the issuance of the Senior Subordinated Notes, together with all instruments and other agreements entered into by the Borrower in connection therewith, as the same may be amended, supplemented or otherwise modified from time to time in accordance with Section 7.9.

"Senior Subordinated Notes": the 8⅝% Senior Subordinated Notes of the Borrower due 2012 and issued pursuant to the Senior Subordinated Notes Indenture.

"Single Employer Plan": any Plan which is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Sponsors": Weston Presidio Capital III, L.P., a Delaware limited partnership, Weston Presidio Capital IV, L.P., a Delaware limited partnership, WPC Entrepreneur Fund, L.P., a Delaware limited partnership, and WPC Entrepreneur Fund II, L.P., a Delaware limited partnership.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor": each Subsidiary of the Borrower other than any Excluded Foreign Subsidiary.

"SuperHoldings": as defined in the preamble hereto.

"Supermajority Revolving Lenders": the holders of more than 75% of the Total Revolving Credit Commitments or, if the Revolving Credit Commitments have been terminated, the Total Revolving Credit Exposure.

"Superpriority Claim": a claim against any Debtor in any of the Cases which is an administrative expense claim having priority over any or all administrative expenses of the kind specified in Section 503(b) or 507(b) of the Bankruptcy Code, including a claim pursuant to Section 364(c)(1) of the Bankruptcy Code.

"Swap Agreement": any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies or commodities; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Company or the Subsidiaries shall be a Swap Agreement.

"Swap Obligations": of a Person, any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements entered into on or after the Petition Date with a Lender (or any Affiliate of a Lender) at the time entered into, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any Swap Agreement transaction, if such Swap Agreement is entered into on or after the Petition Date with a Lender (or any Affiliate of a Lender) at the time entered into.

"Taxes": any present or future taxes, levies, imports, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions or penalties applicable thereto.

"Term Lender": any Lender holding a Term Loan Commitment.

"Term Loan Commitment": as to any Lender, the obligation of such Lender, if any, to make Term Loans on the Closing Date in an aggregate principal amount not to exceed the amount set forth under the heading "Term Loan Commitment" opposite such Lender's name on Schedule 1.1A. The amount of the Term Loan Commitments on the Closing Date is $125,000,000.

"Term Loan Exposure": as to any Term Loan Lender at any time, an amount equal to the sum of the aggregate principal amount of all Term Loans made by such Term Loan Lender then outstanding.

"Term Loan Facility": as defined in the preliminary statements hereto.

"Term Loans": as defined in Section 2.1(b).

"Term Prepayment Premium": one percent (1%) of the principal amount of the Term Loans prepaid (or whose interest rate margin is effectively reduced) after the Closing in connection with a Repricing Transaction.

"Termination Date": the earliest to occur of (a) the Maturity Date, (b) the date that is five Business Days after the Petition Date (or such later date as the Administrative Agent may agree in its sole discretion) if entry of the Interim Order shall not have occurred by such date, (c) the date that is thirty-five days (or such later date as the Administrative Agent may agree, acting in its sole discretion) after the Petition Date if entry of the Final Order shall not have occurred by such date, (d) the Effective Date and (e) the acceleration of the Loans and, in connection therewith, the termination of the unused Commitments in accordance with the terms hereof.

"Total Commitments": at any time, the aggregate amount of the Total Revolving Credit Commitments and the Total Term Loan Commitments at such time.

"Total Exposure": at any time, the aggregate amount of the Exposure of all Lenders at such time.

"Total Revolving Credit Commitments": at any time, the aggregate amount of the Revolving Credit Commitments at such time.

"Total Revolving Credit Exposure": at any time, the aggregate amount of the Revolving Credit Exposure of all Revolving Lenders at such time.

"Total Term Loan Commitments": at any time, the aggregate amount of the Term Loan Commitments at such time.

"Total Term Loan Exposure": at any time, the aggregate amount of the Term Loan Exposure of all Term Loan Lenders at such time.

"Transferee": as defined in Section 10.15.

"Type": as to any Loan, its nature as a Base Rate Loan or a Eurodollar Loan.

"UCC": as defined in the Guarantee and Collateral Agreement.

"Uniform Customs": the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, as the same may be amended from time to time.

"U.S. Person": a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Certificate": as defined in Section 2.17(f)(ii)(D).

"Wholly Owned Subsidiary": as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"Wholly Owned Subsidiary Guarantor": any Subsidiary Guarantor that is a Wholly Owned Subsidiary of the Borrower.

"Withdrawal Liability": liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Title IV of ERISA.

"Withholding Agent": any Loan Party and the Administrative Agent.

1.2 Other Definitional Provisions. (a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time, provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision (including any definition) hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. In the event that the historical accounting practices, systems or reserves relating to the components of the Borrowing Base are modified in a manner that is adverse to the Lenders in any material respect, the Borrower will agree to maintain such additional reserves (for purposes of computing the Borrowing Base) in respect to the components of the Borrowing Base and make such other adjustments (which may include maintaining additional reserves, modifying the advance rates or modifying the eligibility criteria for the components of the Borrowing Base) as may be appropriate to eliminate the material adverse effects thereof. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Debtor at "fair value", as defined therein.

Section 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Commitments. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans ("Revolving Credit Loans") to the Borrower from time to time during the Revolving Credit Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Applicable Revolving Percentage of the sum of (i) the L/C Obligations then outstanding and (ii) the aggregate amount of the Protective Advances then outstanding, does not exceed the amount of such Lender's Revolving Credit Commitment; provided that during the period from the First Availability Date until the Second Availability Date, (A) unless approved by the Administrative Agent, acting in its sole discretion, the Revolving Credit Commitments may only be utilized for the Rollover Letters of Credit and not for Initial Letters of Credit or Initial Revolving Credit Loans and (B) in addition, the aggregate principal amount of Initial Revolving Credit Loans, Rollover Letters of Credit and Initial Letters of Credit outstanding (any Revolving Credit Loans

extended during such period, "Initial Revolving Credit Loans" and any Revolving Credit Loans on the Second Availability Date or thereafter, "Final Revolving Credit Loans") shall not exceed the Interim Revolving Credit Availability Amount; provided further that no Revolving Credit Loans shall be made if, after giving effect to the making of such Revolving Credit Loans, the Total Revolving Credit Exposure would exceed the lesser of (A) the Borrowing Base then in effect and (B) the Total Revolving Credit Commitments. During the Revolving Credit Commitment Period the Borrower may use the Revolving Credit Commitments by borrowing, prepaying the Revolving Credit Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Credit Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.10, provided that no Revolving Credit Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Maturity Date.

(b) Subject to the terms and conditions hereof, each Lender severally agrees to make a term loan (the "Term Loans") to the Borrower on the Closing Date in an aggregate principal amount which does not exceed the amount of such Lender's Term Loan Commitment. Term Loans may not be reborrowed once repaid. The Term Loans may only be borrowed in one single borrowing to be made on the Closing Date. The Term Loans may from time to time be Eurodollar Loans or Base Rate Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.10, provided that no Term Loan shall be made as a Eurodollar Loan after the day that is one month prior to the Maturity Date.

(c) The Borrower shall repay all outstanding Revolving Credit Loans on the Termination Date. The Borrower shall repay all outstanding Term Loans on the Termination Date.

2.2 Procedure for Borrowing. (a) The Borrower may borrow under the Revolving Credit Commitments during the Revolving Credit Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 1:00 P.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) on the requested Borrowing Date, in the case of Base Rate Loans), specifying (i) the amount and Type of Revolving Credit Loans to be borrowed, (ii) the requested Borrowing Date and (iii) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Any Revolving Credit Loans made on the Closing Date shall initially be Base Rate Loans. Each borrowing under the Revolving Credit Commitments shall be in an amount equal to (x) in the case of Base Rate Loans, $1,000,000 or a whole multiple thereof (or, if the Revolving Credit Availability is less than $1,000,000, such lesser amount) and (y) in the case of Eurodollar Loans, $1,000,000 or a whole multiple of $500,000 in excess thereof. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 1:00 P.M., New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent in like funds as received by the Administrative Agent.

(b) The Borrower may make one single borrowing of the Term Loans on the Closing Date, provided that the Borrower shall give the Administrative Agent irrevocable notice (which notice must be received by the Administrative Agent prior to 1:00 P.M., New York City time, one Business Day prior to the Closing Date), specifying (i) the amount to be borrowed and (ii) the requested Borrowing Date (which shall be the Closing Date). The Term Loans made on the Closing Date shall initially be Base Rate Loans. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Term Lender thereof. Each Term Lender will make the amount of its pro rata share of the borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 1:00 P.M., New York City time, on the Closing Date in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent in like funds as received by the Administrative Agent.

2.3 Base Rate Loans Prior to Second Availability Date. Notwithstanding the contrary herein, prior to the Second Availability Date, all Revolving Credit Loans may only consist of Base Rate Loans.

2.4 RESERVED.

2.5 Repayment of Loans; Evidence of Debt. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the appropriate Lender, (i) the then unpaid principal amount of each Revolving Credit Loan of such Lender on the Termination Date, (ii) the then unpaid principal amount of each Term Loan of such Term Loan Lender on the Termination Date or (iii) the then unpaid amount of each Protective Advance on the earliest of (A) the Termination Date, (B) the day that is 30 days after the making of such Protective Advance (or if such day is not a Business Day, the next succeeding Business Day) and (C) demand by the Administrative Agent. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.12.

(b) During any Cash Dominion Period that exists other than as a result of an Event of Default, on each Business Day, the Administrative Agent may, in its Permitted Discretion (unless otherwise directed by the Required Lenders), apply all funds credited to the Collection Account or Concentration Account as of 10:00 a.m., New York City time, on such Business Day (whether or not immediately available) first to prepay any Protective Advances that may be outstanding, pro rata, second to prepay the Revolving Credit Loans (without a corresponding reduction in Revolving Credit Commitments) and cash collateralize Letters of Credit, and third to prepay the Term Loans; provided that during an Event of Default, all such amounts shall be applied in accordance with Section 8.2.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(d) The Administrative Agent, on behalf of the Borrower, shall maintain the Register pursuant to Section 10.6(b), and a subaccount therein for each Lender, in which shall be

recorded (i) the amount of each Loan made hereunder and any Note evidencing such Loan, the Type thereof and each Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(e) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.5 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to such Borrower by such Lender in accordance with the terms of this Agreement.

(f) The Borrower agrees that, upon the request to the Administrative Agent by any Lender, the Borrower will execute and deliver to such Lender a promissory note of the Borrower evidencing any Revolving Credit Loans or Term Loans, as the case may be, of such Lender, substantially in the forms of Exhibit G-1 or G-2, respectively, with appropriate insertions as to date and principal amount.

2.6 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee for the period from and including the Closing Date to the last day of the Revolving Credit Commitment Period, computed at the Commitment Fee Rate on the average daily amount of the Revolving Credit Commitment of such Lender during the period for which payment is made, payable monthly in arrears on the last day of each calendar month and on the Maturity Date, commencing on the first of such dates to occur after the date hereof.

(b) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates from time to time agreed to in writing by the Borrower and the Administrative Agent set forth in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between the Borrower and the Administrative Agent).

2.7 Termination or Reduction of Revolving Credit Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Credit Commitments or, from time to time, to reduce the amount of the Revolving Credit Commitments; provided that no such termination or reduction of Revolving Credit Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Credit Loans made on the effective date thereof, the Total Revolving Credit Exposure would exceed the Total Revolving Credit Commitments. Any such reduction shall be in an amount equal to $500,000, or a whole multiple thereof, and shall reduce permanently the Revolving Credit Commitments then in effect.

2.8 Optional Prepayments. (a) The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent at least three Business Days prior thereto in the case

of Eurodollar Loans and at least one Business Day prior thereto in the case of Base Rate Loans, which notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans or Base Rate Loans; provided, that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.18. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Credit Loans which are Base Rate Loans) accrued interest to such date on the amount prepaid. Prepayments of the Term Loans may not be reborrowed.

(b) Notwithstanding the foregoing, the Borrower may not voluntarily prepay the Term Loans (other than in connection with a Repricing Transaction so long as the aggregate principal amount of the term loans under such Repricing Transaction is the same as the aggregate principal amount of the repaid Term Loans at such time plus the amount of any fees, costs, premiums and accrued interest paid in connection therewith) until all Revolving Credit Loans have been paid in full in cash, all LC Exposure has been cash collateralized and the Revolving Credit Commitments have been terminated. Any prepayment of Term Loans pursuant to this Section 2.8(b) (and any prepayment of Term Loans pursuant to a Repricing Transaction described in the immediately preceding sentence) shall be accompanied by the payment of the Term Prepayment Premium, if any is then due.

2.9 Mandatory Prepayments. (a) In the event and on such occasion that:

(i) the Revolving Credit Exposure of any Revolving Lender exceeds such Revolving Lender's Revolving Credit Commitment; or

(ii) the Total Revolving Exposure exceeds the lesser of (x) Total Revolving Credit Commitments and (y) the Borrowing Base;

the Borrower shall repay the Revolving Credit Loans to the extent of such excess, provided that if the aggregate principal amount of Revolving Credit Loans then outstanding is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrower shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount in cash in a cash collateral account established with the Administrative Agent for the benefit of the Lenders on terms and conditions reasonably satisfactory to the Administrative Agent.

(b) If any Indebtedness shall be incurred by a Debtor, an amount equal to 100% of the Net Cash Proceeds thereof received shall be applied on the date of receipt of such Net Cash Proceeds as set forth in Section 2.9(d), provided, however, that the foregoing requirements of this paragraph (b) shall not apply to any Indebtedness incurred in accordance with Section 7.2 as in effect on the date of this Agreement.

(c) If on any date a Debtor shall receive Net Cash Proceeds from any Asset Sale or Recovery Event (or, in the event of damage by casualty, the date the repair or restoration of the relevant Property is completed), then, unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied on such date as set forth in Section

2.9(d); provided, that, notwithstanding the foregoing, on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied as set forth in Section 2.9(d); and provided further, that notwithstanding the foregoing, such Net Cash Proceeds which are not subject to a Reinvestment Notice shall not be required to be applied as set forth in Section 2.9(d) until the date upon which the aggregate amount of such Net Cash Proceeds received by a Debtor and not previously applied toward the prepayment of the Loans shall exceed $1,000,000.

(d) All such amounts described in Sections 2.9(b) and (c) shall be applied, first to prepay any Protective Advances that may be outstanding, pro rata, second to prepay the Revolving Credit Loans without a corresponding reduction in the Total Revolving Credit Commitments and cash collateralize Letters of Credit, and third to prepay the Term Loans; provided that during an Event of Default, all such amounts shall be applied in accordance with Section 8.2. If the precise amount of insurance or condemnation proceeds allocable to Inventory as compared to equipment, fixtures and real property is not otherwise determined, the allocation and application of those proceeds shall be determined by the Administrative Agent, in its Permitted Discretion.

(e) [Reserved]

(f) The Borrower shall notify the Administrative Agent by telephone (confirmed by facsimile or by other electronic transmission) of any prepayment hereunder (i) in the case of prepayment of a Eurocurrency Loan, not later than 10:00 A.M., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of a Base Rate Loan, not later than 10:00 A.M., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, set forth a reasonably detailed calculation of the amount of such prepayment, provided that a notice of optional prepayment may state that such notice is conditioned upon the receipt of the proceeds from the issuance of other Indebtedness or any other event, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date) if such condition is not satisfied. Promptly following receipt of any such notice the Administrative Agent shall advise the Lenders of the contents thereof. Each partial voluntary prepayment of any Revolving Credit Loan shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.2 and each partial voluntary prepayment of any Term Loan shall be in an amount equal to $500,000, or a whole multiple thereof. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.18.

2.10 Conversion and Continuation Options. (a) The Borrower may elect from time to time to convert Eurodollar Loans to Base Rate Loans by giving the Administrative Agent at least two Business Days' prior irrevocable notice of such election, provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert Base Rate Loans to Eurodollar Loans (except, solely in the case of Revolving Loans, prior to the Second Availability Date) by giving the Administrative Agent at least three Business Days' prior irrevocable notice

of such election (which notice shall specify the length of the initial Interest Period therefor), provided that no Base Rate Loan may be converted into a Eurodollar Loan (i) when any Event of Default has occurred and is continuing and the Administrative Agent or the Required Lenders have determined in its or their sole discretion not to permit such conversions or (ii) after the date that is one month prior to the Maturity Date. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. This Section shall not apply to Protective Advances, which may not be converted or continued.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans, provided that no Eurodollar Loan may be continued as such (i) when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such continuations or (ii) after the date that is one month prior to the Maturity Date, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to Base Rate Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.11 Minimum Amounts and Maximum Number of Eurodollar Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations and optional prepayments of Eurodollar Loans hereunder and all selections of Interest Periods hereunder shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to $2,500,000 or a whole multiple of $500,000 in excess thereof and (b) no more than ten Eurodollar Tranches shall be outstanding at any one time.

2.12 Interest Rates and Payment Dates. (a) Each Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurodollar Rate determined for such day plus the Applicable Margin (it being understood that Eurodollar Loans bear interest from and including the first day of each Interest Period to but not including the last day of such Interest Period).

(b) Each Base Rate Loan shall bear interest at a rate per annum equal to the Base Rate plus the Applicable Margin.

(c) Upon the occurrence and during the continuation of an Event of Default, (i) all outstanding Loans and Reimbursement Obligations (whether or not overdue) shall bear interest at a rate per annum which is equal to (x) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.12 plus 2% or (y) in the case of Reimbursement Obligations, the rate applicable to Base Rate Loans plus 2%, (ii) the Letter of Credit commission payable pursuant to Section 3.3(a) shall be increased by 2% and (iii) if all or a portion of any interest payable on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder shall not be paid when due (whether at

the stated maturity, by acceleration or otherwise) such overdue amount shall bear interest at a rate per annum equal to the rate applicable to Base Rate Loans plus 2%.

(d) Interest shall be payable in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section 2.12 shall be payable from time to time on demand.

2.13 Computation of Interest and Fees. (a) Interest, fees and commissions payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to Base Rate Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the Base Rate or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.12(a) and the manner of performing any required calculation hereunder.

2.14 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Required Lenders that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period, the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurodollar Loans requested to be made on the first day of such Interest Period shall be made as Base Rate Loans, (y) any Loans that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as Base Rate Loans and (z) any outstanding Eurodollar Loans shall be converted, on the first day of such Interest Period, to Base Rate Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans shall be made or continued as such, nor shall the Borrower have the right to convert Loans to Eurodollar Loans.

2.15 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments of the Lenders shall be made pro rata according to the respective Applicable Revolving Percentages and Applicable Term Loan Percentages, as the case may be, of the relevant Lenders.

(b) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Credit Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Credit Loans then held by the Revolving Lenders.

(c) Each payment (including each prepayment) by the Borrower on account of the principal of and interest on the Term Loans shall be made pro rata according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders. Amounts prepaid on account of the Term Loans may not be reborrowed.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 1:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the Lenders, at the Payment Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon at a rate equal to the daily average Federal Funds Effective Rate for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this Section 2.15(e) shall be conclusive in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days of such Borrowing Date, the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to Base Rate Loans under the applicable Facility (in lieu of interest otherwise provided for hereunder), on demand, from the Borrower.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment being made hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and the Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days of such required date, the Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(g) [Reserved]

(h) At the election of the Administrative Agent, all payments of principal, interest, Reimbursement Obligations, fees, premiums, reimbursable expenses (including, without limitation, all reimbursement for fees and expenses pursuant to Section 10.5), and other sums payable under the Loan Documents, may be paid from the proceeds of Borrowings made hereunder whether made following a request by the Borrower pursuant to Section 2.2 or a deemed request as provided in this Section or may be deducted from any deposit account of the Borrower maintained with the Administrative Agent. The Borrower hereby irrevocably authorizes (i) the Administrative Agent to make a Borrowing for the purpose of paying each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents and agrees that all such amounts charged shall constitute Loans and that all such Borrowings shall be deemed to have been requested pursuant to Section 2.2 or 2.23, as applicable and (ii) the Administrative Agent to charge any deposit account of the Borrower maintained with the Administrative Agent for each payment of principal, interest and fees as it becomes due hereunder or any other amount due under the Loan Documents.

2.16 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof:

(i) shall subject any Credit Party to any Taxes (other than (A) Indemnified Taxes covered by Section 2.17 and (B) and the imposition of, or any change in the rate of, any Excluded Tax) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender which is not otherwise included in the determination of the Eurodollar Rate hereunder; or

(iii) shall impose on such Lender any other condition;

and the result of any of the foregoing is to increase, relative to the date hereof, the cost to such Lender or such other Credit Party, by an amount which such Lender or other Credit Party deems to be material, of making, converting into, continuing or maintaining Eurodollar Loans (or, in the case of (i), any Loan) or issuing or participating in Letters of Credit, or to reduce, relative to the date hereof, any amount receivable hereunder in respect thereof, then, in any such case, the Borrower shall promptly pay such Lender or such other Credit Party, upon its demand, any additional amounts necessary to compensate such Lender or Credit Party for such increased cost or reduced amount receivable. If any Lender or Credit Party becomes entitled to claim any additional amounts pursuant to this Section 2.16, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority made subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a written request therefor, the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided that the Borrower shall not be required to compensate a Lender pursuant to this paragraph for any amounts incurred more than three months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; and provided further that, if the circumstances giving rise to such claim have a retroactive effect, then such three-month period shall be extended to include the period of such retroactive effect.

(c) A certificate as to any additional amounts payable pursuant to this Section 2.16 submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of the Borrower pursuant to this Section 2.16 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(d) Notwithstanding anything herein to the contrary (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III shall be deemed to have been introduced or adopted after the date hereof, regardless of the date enacted, adopted or issued.

2.17 Taxes. (a) Each payment by any Loan Party under any Loan Document shall be made without withholding for any Taxes, unless such withholding is required by any law. If any Withholding Agent determines, in its sole discretion exercised in good faith, that it is

so required to withhold Taxes, then such Withholding Agent may so withhold and shall timely pay the full amount of withheld Taxes to the relevant Governmental Authority in accordance with applicable law. If such Taxes are Indemnified Taxes, then the amount payable by such Loan Party shall be increased as necessary so that, net of such withholding (including such withholding applicable to additional amounts payable under this Section 2.17), the applicable Credit Party receives the amount it would have received had no such withholding been made.

(b) The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) As soon as practicable after any payment of Indemnified Taxes or Excluded Taxes by any Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) The Loan Parties shall jointly and severally indemnify each Credit Party for any Indemnified Taxes that are paid or payable by such Credit Party in connection with any Loan Document (including amounts paid or payable under this Section 2.17(d)) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(d) shall be paid within 10 days after the Credit Party delivers to any Loan Party a certificate stating the amount of any Indemnified Taxes so paid or payable by such Credit Party and describing the basis for the indemnification claim. Such certificate shall be conclusive of the amount so paid or payable absent manifest error. Such Credit Party shall deliver a copy of such certificate to the Administrative Agent.

(e) Each Lender shall severally indemnify the Administrative Agent for any Taxes (but, in the case of any Indemnified Taxes, only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so) attributable to such Lender that are paid or payable by the Administrative Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. The indemnity under this Section 2.17(e) shall be paid within 10 days after the Administrative Agent delivers to the applicable Lender a certificate stating the amount of Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(f)

(i) Any Lender that is entitled to an exemption from, or reduction of, any applicable withholding Tax with respect to any payments under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without, or at a reduced rate of, withholding. In addition, any Lender, if requested by the Borrower or the Administrative

Agent, shall deliver such other documentation prescribed by law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to any withholding (including backup withholding) or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.17(f)(ii)(A) through (E) below) shall not be required if in the Lender's judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense (or, in the case of a change in a Requirement of Law, any incremental material unreimbursed cost or expense) or would materially prejudice the legal or commercial position of such Lender. Upon the reasonable request of such Borrower or the Administrative Agent, any Lender shall update any form or certification previously delivered pursuant to this Section 2.17(f). If any form or certification previously delivered pursuant to this Section expires or becomes obsolete or inaccurate in any respect with respect to a Lender, such Lender shall promptly (and in any event within 10 days after such expiration, obsolescence or inaccuracy) notify such Borrower and the Administrative Agent in writing of such expiration, obsolescence or inaccuracy and update the form or certification if it is legally eligible to do so.

(ii) Without limiting the generality of the foregoing, if the Borrower is a U.S. Person, any Lender with respect to such Borrower shall, if it is legally eligible to do so, deliver to such Borrower and the Administrative Agent (in such number of copies reasonably requested by such Borrower and the Administrative Agent) on or prior to the date on which such Lender becomes a party hereto, duly completed and executed copies of whichever of the following is applicable:

(A) in the case of a Lender that is a U.S. Person, IRS Form W-9 certifying that such Lender is exempt from U.S. Federal backup withholding tax;

(B) in the case of a Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (1) with respect to payments of interest under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (2) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(C) in the case of a Non-U.S. Lender for whom payments under any Loan Document constitute income that is effectively connected with such Lender's conduct of a trade or business in the United States, IRS Form W-8ECI;

(D) in the case of a Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code both (1) IRS Form W-8BEN and (2) a certificate substantially in the form of Exhibit H (a "U.S. Tax Certificate") to the effect that such Lender is not (a) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (b) a "10 percent shareholder" of the Borrower within

the meaning of Section 881(c)(3)(B) of the Code (c) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (d) conducting a trade or business in the United States with which the relevant interest payments are effectively connected;

(E) in the case of a Non-U.S. Lender that is not the beneficial owner of payments made under any Loan Document (including a partnership or a participating Lender) (1) an IRS Form W-8IMY on behalf of itself and (2) the relevant forms prescribed in clauses (A), (B), (C), (D) and (F) of this paragraph (f)(ii) that would be required of each such beneficial owner or partner of such partnership if such beneficial owner or partner were a Lender; provided, however, that if the Lender is a partnership and one or more of its partners are claiming the exemption for portfolio interest under Section 881(c) of the Code, such Lender may provide a U.S. Tax Certificate on behalf of such partners; or

(F) any other form prescribed by applicable law as a basis for claiming exemption from, or a reduction of, U.S. federal withholding Tax together with such supplementary documentation necessary to enable the Borrower or the Administrative Agent to determine the amount of Tax (if any) required by law to be withheld.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Withholding Agent, at the time or times prescribed by law and at such time or times reasonably requested by the Withholding Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Withholding Agent as may be necessary for the Withholding Agent to comply with its obligations under FATCA, to determine that such Lender has or has not complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.17(f)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(g) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.17 (including additional amounts paid pursuant to this Section 2.17), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.17 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including any Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid to such indemnified party pursuant to the previous sentence (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.17(g), in no event will any indemnified party be required to pay any amount to any indemnifying party pursuant to this Section 2.17(g) if such payment would place such indemnified party in a less

favorable position (on a net after-Tax basis) than such indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This Section 2.17(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the indemnifying party or any other Person.

2.18 Indemnity. The Borrower agrees to indemnify each Lender and to hold each Lender harmless from any loss or expense which such Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment of Eurodollar Loans on a day which is not the last day of an Interest Period with respect thereto. Such indemnification may include an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or not so borrowed, converted or continued, for the period from the date of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any) over (ii) the amount of interest (as reasonably determined by such Lender) which would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section 2.18 submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

2.19 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof shall make it unlawful for any Lender to make or maintain Eurodollar Loans as contemplated by this Agreement, (a) the commitment of such Lender hereunder to make Eurodollar Loans, continue Eurodollar Loans as such and convert Base Rate Loans to Eurodollar Loans shall forthwith be cancelled and (b) such Lender's Loans then outstanding as Eurodollar Loans, if any, shall be converted automatically to Base Rate Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurodollar Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.18

2.20 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.16 or (a) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of avoiding the consequences of such event; provided, that such designation is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and provided,

further, that nothing in this Section 2.20 shall affect or postpone any of the obligations of any Borrower or the rights of any Lender pursuant to Section 2.16 or (a).

2.21 Replacement of Lenders under Certain CircumstancesThe Borrower shall be permitted to replace any Lender which (a) requests reimbursement for amounts owing pursuant to Section 2.16 or Section (a) or (b) becomes a Defaulting Lender, with a replacement financial institution; provided that (i) such replacement does not conflict with any Requirement of Law, (ii) no Default or Event of Default shall have occurred and be continuing at the time of such replacement, (iii) prior to any such replacement, such Lender shall have taken no action under Section 2.20 so as to eliminate the continued need for payment of amounts owing pursuant to Section 2.16 or (a), (iv) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender on or prior to the date of replacement, (v) the Borrower shall be liable to such replaced Lender under Section 2.18 if any Eurodollar Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (vi) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent, (vii) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (provided that the Borrower shall be obligated to pay the registration and processing fee referred to therein) or pursuant to other procedures established by the Administrative Agent, which may include a deemed assignment, (viii) until such time as such replacement shall be consummated, the Borrower shall pay all additional amounts (if any) required pursuant to Section 2.16 or (a), as the case may be, and (ix) any such replacement shall not be deemed to be a waiver of any rights which the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

2.22 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees set forth in Section 2.6(a) shall cease to accrue on the unfunded portion of the Revolving Credit Commitment of such Defaulting Lender;

(b) the Commitments, Revolving Credit Exposure and Term Loans of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.1); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of each Lender or each Lender affected thereby;

(c) if any LC Exposure exists or any Protective Advance is outstanding at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of such LC Exposure and Applicable Revolving Percentage of Protective Advances shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Revolving Percentages but only to the extent the sum of all non-Defaulting Lenders' LC Exposure and Applicable

Revolving Percentages of Protective Advances does not exceed the total of all non-Defaulting Lenders' Revolving Credit Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within one Business Day following notice by the Administrative Agent (x) first, cash collateralize for the benefit of the Issuing Lender only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures reasonably satisfactory to the Administrative Agent for so long as such LC Exposure is outstanding and (y) cash collateralize such Defaulting Lender's Applicable Revolving Percentage of such Protective Advance;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.3(a) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.6(a) and Section 3.3(a) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Revolving Percentages; or

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Lender or any other Lender hereunder, all fees payable under Section 3.3(a) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Lender until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as any Lender is a Defaulting Lender, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Credit Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with paragraph (c) of this Section 2.19(c), and participating interests in any such newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with paragraph (c)(i) of this Section 2.22 (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Issuing Lender has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Lender shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Lender, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to

the Issuing Lender, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that each of the Administrative Agent, the Borrower and the Issuing Lender agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure and Applicable Percentage of Protective Advances of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Credit Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine is necessary in order for the Lenders (including the previously referenced Defaulting Lender) to hold such Loans in accordance with their Applicable Revolving Percentages.

2.23 Protective Advances. (a) Subject to the limitations set forth below, the Administrative Agent is authorized by the Borrower and the Lenders, from time to time in the Administrative Agent's sole discretion (but shall have absolutely no obligation), to make Loans to the Borrower, on behalf of the Lenders which the Administrative Agent, in its Permitted Discretion, deems necessary or desirable (i) to preserve or protect the Collateral, or any portion thereof, (ii) to enhance the likelihood of, or maximize the amount of, repayment of the Loans and other Obligations (other than Swap Obligations and Banking Services Obligations), or (iii) to pay any other amount chargeable to or required to be paid by the Borrower pursuant to the terms of this Agreement, including payments of reimbursable expenses (including costs, fees, and expenses as described in Section 10.5) and other sums payable under the Loan Documents (any of such Loans are herein referred to as "Protective Advances"); provided that, the aggregate amount of Protective Advances outstanding at any time shall not at any time exceed 5% of the Total Revolving Credit Commitments; provided, further, that the aggregate Revolving Credit Exposure of all Lenders shall not exceed the Total Revolving Credit Commitments. Protective Advances may be made even if the conditions precedent set forth in Sections 5.1, 5.2 or 5.3 have not been satisfied. Proceeds of a Protective Advance shall not be disbursed to the Borrower or any other Loan Party and shall be applied in accordance with the terms of this Section 2.23. The Protective Advances shall be secured by the Liens in favor of the Administrative Agent in and to the Collateral and shall constitute Obligations hereunder. All Protective Advances shall be Base Rate Loans. The Administrative Agent's authorization to make Protective Advances may be revoked at any time by the Required Lenders. Any such revocation must be in writing and shall become effective prospectively upon the Administrative Agent's receipt thereof. At any time that there is sufficient Revolving Credit Availability and the conditions precedent set forth in Sections 5.1, 5.2 and 5.3, if applicable, have been satisfied, the Administrative Agent may request the Lenders to make a Revolving Credit Loan to repay a Protective Advance. At any other time the Administrative Agent may require the Lenders to fund their risk participations described in Section 2.23(b).

(b) Upon the making of a Protective Advance by the Administrative Agent (whether before or after the occurrence of a Default), each Lender shall be deemed, without further action by any party hereto, to have unconditionally and irrevocably purchased from the Administrative Agent without recourse or warranty, an undivided interest and participation in such Protective Advance, in proportion to its Applicable Revolving Percentage. From and after the date, if any, on which any Lender is required to fund its participation in any Protective Advance purchased hereunder, the Administrative Agent shall promptly distribute to such

Lender, such Lender's Applicable Revolving Percentage of all payments of principal and interest and all proceeds of Collateral received by the Administrative Agent in respect of such Protective Advance.

2.24 Priority and Liens. (a) The Debtors hereby covenant, represent and warrant that, upon entry of the Interim Order (and the Final Order, as applicable), the Obligations of the Debtors hereunder and under the other Loan Documents (including the obligations of the Debtors under the Guarantee and Collateral Agreement), (i) pursuant to Section 364(c)(1) of the Bankruptcy Code, shall at all times constitute allowed Superpriority Claims in the Cases, (ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, shall be secured by a perfected first priority Lien on all Collateral that is otherwise not encumbered by a valid, perfected and non-avoidable Lien as of the Petition Date or a valid Lien perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code, excluding claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code and the proceeds therefrom (it being understood that, notwithstanding such exclusion, upon entry of the Final Order, to the extent approved by the Bankruptcy Court, such Lien shall attach to any proceeds thereof), (iii) pursuant to Section 364(c)(3) of the Bankruptcy Code, shall be secured by a perfected junior Lien upon all Collateral that is subject to (A) valid, perfected and non-avoidable Liens (other than to secure the Debtors' Prepetition Obligations and Liens that are junior to the Liens securing the Debtors' Prepetition Obligations) in existence on the Petition Date or valid Liens perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code and (B) other than as provided in clause (iv) below, post-Petition Date Liens permitted hereunder, and (iv) pursuant to Section 364(d)(1) of the Bankruptcy Code, shall be secured by a perfected first priority senior priming Lien upon all Collateral (x) that is subject to a valid Lien or security interest in effect on the Petition Date to secure the Debtors' Prepetition Obligations, (y) that is subject to a Lien granted after the Petition Date to provide adequate protection in respect of the Debtors' Prepetition Obligations or (z) that is subject to a valid Lien in effect on the Petition Date that is junior to the Liens that secure the Debtors' Prepetition Obligations, subject and subordinate in each case with respect to subclauses (i) through (iv) above, only to the Carve Out. For purposes hereof, the "Carve Out" shall be defined as set forth in the Interim Order and the Final Order, as applicable.

(b) As to all Collateral, including without limitation, all cash, Cash Equivalents and real property the title to which is held by any Debtor, or the possession of which is held by any Debtor in the form of a leasehold interest, each Debtor hereby assigns and conveys as security, grants a security interest in, hypothecates, mortgages, pledges and sets over unto the Administrative Agent, for the benefit of the Lenders and the other holders of the Obligations, all of the right, title and interest of the Borrower and such Guarantor in all of such Collateral, including without limitation, all cash, Cash Equivalents and owned real property and in all such leasehold interests, together in each case with all of the right, title and interest of the Borrower and such Guarantor in and to all buildings, improvements, and fixtures related thereto, any lease or sublease thereof, all general intangibles relating thereto and all proceeds thereof. Notwithstanding anything herein to the contrary, the Collateral shall not include the L/C Cash Collateral, and the Liens granted to the Administrative Agent shall not attach to, the L/C Cash Collateral, and the L/C Cash Collateral shall not be subject to the Superpriority Claims granted to

the Lenders. The Borrower and each Guarantor acknowledges that, pursuant to and upon entry of the Orders, the Liens granted in favor of the Administrative Agent (on behalf of the Lenders) in all of the Collateral shall be perfected without the recordation of any UCC financing statements, notices of Lien or other instruments of mortgage or assignment, subject to the terms and conditions set forth in the Orders. The Borrower and each Guarantor further agrees that (a) the Administrative Agent shall have the rights and remedies set forth in Sections 8 and 11 and in the Security Documents and the Orders in respect of the Collateral and (b) if requested by the Administrative Agent, the Borrower and each of the other Debtors shall enter into separate security agreements, pledge agreements and fee and leasehold mortgages with respect to such Collateral on terms reasonably satisfactory to the Administrative Agent.

2.25 Payment of Obligations. Upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents, the Lenders shall be entitled to immediate payment of such Obligations in full in cash, without further application to or order of the Bankruptcy Court.

2.26 No Discharge; Survival of Claims. Each Debtor agrees that to the extent its Obligations hereunder are not satisfied in full in cash (except as provided in Section 2.24), (a) its Obligations arising hereunder shall not be discharged by the entry of a Confirmation Order (and each Debtor, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (b) the Superpriority Claim granted to the Administrative Agent and the Lenders pursuant to the Orders and described in Section 2.24 and the Liens granted to the Administrative Agent pursuant to the Orders and described in Section 2.24 shall not be affected in any manner by the entry of a Confirmation Order.

2.27 Conflicts. To the extent of any conflict between the provisions of this Agreement and the other Loan Documents and provisions contained in the Interim Order (or the Final Order, as applicable), the provisions of the applicable Order shall govern.

Section 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Prior to the Closing Date, the Rollover Issuing Lender has issued the Rollover Letters of Credit listed on Schedule 3.1 which, from and after the Closing Date, shall, subject to the terms and conditions hereof, constitute Letters of Credit hereunder. Subject to the terms and conditions hereof, the Issuing Lender, in reliance on the agreements of the other Revolving Credit Lenders set forth in Section 3.4(a), agrees to issue letters of credit (the letters of credit issued on and after the Closing Date pursuant to this Section 3, together with the Rollover Letters of Credit, collectively, the "Letters of Credit") for the account of the Borrower on any Business Day during the Revolving Credit Commitment Period in such form as may be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance (i) the L/C Obligations would exceed the L/C Commitment, (ii) Revolving Credit Availability would be less than zero or (iii) the Revolving Credit Exposure would exceed the Interim Revolving Credit Availability Amount prior to the Second Availability Date. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the date which is five Business Days prior to the Maturity Date.

(b) Each Letter of Credit shall be subject to the Uniform Customs and, to the extent not inconsistent therewith, the laws of the State of New York.

(c) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit hereunder if such issuance would conflict with, or cause the Issuing Lender or any L/C Participant to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit by delivering to the Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.3 Commissions, Fees and Other Charges. (a) The Borrower will pay a commission on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans under the Revolving Facility, shared ratably among the Lenders and payable quarterly in arrears on each L/C Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the Issuing Lender for its own account a fronting fee of 1/4 of 1% per annum, payable quarterly in arrears on each L/C Fee Payment Date after the issuance date.

(b) In addition to the foregoing fees and commissions, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

3.4 L/C Participations. (a) The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce the Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions hereinafter stated, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Applicable Revolving Percentage in the Issuing Lender's obligations and rights under each Letter of Credit issued hereunder and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Participant unconditionally and irrevocably agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of this Agreement, such L/C

Participant shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Applicable Revolving Percentage of the amount of such draft, or any part thereof, which is not so reimbursed. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Credit Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(b) If any amount required to be paid by any L/C Participant to the Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by the Issuing Lender under any Letter of Credit is paid to the Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to the Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, the Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to Base Rate Loans under the Revolving Facility. A certificate of the Issuing Lender submitted to any L/C Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(c) Whenever, at any time after the Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a), the Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Lender), or any payment of interest on account thereof, the Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by the Issuing Lender shall be required to be returned by the Issuing Lender, such L/C Participant shall return to the Issuing Lender the portion thereof previously distributed by the Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse the Issuing Lender on each date on which the Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit and paid by the Issuing Lender for the amount of (a) such draft so paid and (b) any taxes, fees, charges or other costs or expenses incurred by the Issuing Lender in connection with such payment. Each such payment shall be made to the Issuing Lender at its address for notices specified herein in lawful money of the United States of America and in immediately available funds. Interest shall be payable on any and all amounts remaining unpaid by the Borrower under this Section from the date such amounts become payable (whether at stated maturity, by acceleration or otherwise) until payment in full at the rate set forth in Section 2.12(c). Each drawing under any Letter of Credit

shall (unless an event of the type described in clause (i) or (ii) of Section 8(f) shall have occurred and be continuing with respect to the Borrower, in which case the procedures specified in Section 3.4 for funding by L/C Participants shall apply) constitute a request by the Borrower to the Administrative Agent for a borrowing pursuant to Section 2.2(a) of Base Rate Loans in the amount of such drawing. The Borrowing Date with respect to such borrowing shall be the date of such drawing.

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment which the Borrower may have or have had against the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct and in accordance with the standards or care specified in the UCC of the State of New York, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

Section 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender that:

4.1 Financial Condition. (a) [Reserved]

(b) (i) The audited consolidated balance sheets of Holdings and its consolidated Subsidiaries as at March 31, 2009 and March 31, 2010, and the related consolidated statements of income and of cash flows for the fiscal years ended March 31, 2009 and March 31, 2010, reported on by and accompanied by an unqualified report from Deloitte & Touche LLP present fairly in all material respects the consolidated financial condition of Holdings and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at March 31, 2011, and the related unaudited consolidated statements of income and cash flows for the fiscal year ended on such date, present fairly in all material respects the consolidated financial condition of Holdings and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firms of accountants and disclosed therein). Holdings and its Subsidiaries do not have any material Guarantee Obligations, material contingent liabilities or material liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, which are not reflected in the most recent financial statements (including the notes thereto) referred to in this paragraph (b)(i). During the period from March 31, 2011 to and including the date hereof, there has been no Disposition by Holdings or any of its Subsidiaries of any material part of its business or Property.

(ii) The audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as at March 31, 2009 and March 31, 2010, and the related consolidated statements of income and of cash flows for the fiscal years ended March 31, 2009 and March 31, 2010 reported on by and accompanied by an unqualified report from Deloitte & Touche LLP present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at March 31, 2011, and the related unaudited consolidated statements of income and cash flows for the fiscal year ended on such date, present fairly in all material respects the consolidated financial condition of the Borrower and its consolidated Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the fiscal year then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). The Borrower and its Subsidiaries do not have any material Guarantee Obligations, material contingent liabilities or material liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including, without limitation, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, which are not reflected in the most recent financial statements (including the notes thereto) referred to in this paragraph (b)(ii). During the period from March 31, 2011 to and including the date hereof,

there has been no Disposition by the Borrower or any of its Subsidiaries of any material part of its business or Property.

(c) The Loan Parties have disclosed any material assumptions with respect to the Budget, Initial Cash Flow Forecast and Cash Flow Forecasts and affirm that the Budget, Initial Cash Flow Forecast and each Cash Flow Forecast were prepared in good faith upon assumptions believed to be reasonable at the time made (it being understood and agreed that the projections contained in such Budget, the Initial Cash Flow Forecast and each Cash Flow Forecast are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and that no assurance can be given that the projections contained in the Budget, the Initial Cash Flow Forecast and each Cash Flow Forecast will be realized, and that the Budget, the Initial Cash Flow Forecast and each Cash Flow Forecast are not a guarantee of financial performance and actual results may differ from the Budget, Initial Cash Flow Forecast and each Cash Flow Forecast and such differences may be material).

4.2 No Change. Since March 31, 2011 there has been no development or event which has had or could reasonably be expected to have a Material Adverse Effect.

4.3 Corporate Existence; Compliance with Law. Each Debtor (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has the corporate power and authority to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect, (d) is in compliance with all Requirements of Law except, in the case of any Debtor, to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect or is otherwise permitted by Chapter 11 of the Bankruptcy Code and (e) is a debtor and debtor-in-possession under the Cases.

4.4 Corporate Power; Authorization; Enforceable Obligations. Subject to entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, each Loan Party has the corporate power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow hereunder. Subject to entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, each Loan Party has taken all necessary corporate action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the borrowings on the terms and conditions of this Agreement. Other than entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement, any of the Loan Documents or the Administrative Agent's or Lenders' rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Orders and the Security Documents, except as required by the Interim Order and the Final Order. Subject to the entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms

thereof, each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, subject to entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof.

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any material Contractual Obligation of any Debtor (except in respect of Contractual Obligations entered into prior to the Petition Date) and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents or the Orders). No Requirement of Law or Contractual Obligation applicable to the Borrower or any of its Subsidiaries could reasonably be expected to have a Material Adverse Effect.

4.6 No Material Litigation. Other than the Cases, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of SuperHoldings, Holdings or the Borrower, threatened by or against any Debtor or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) which could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Debtor is in default under or with respect to any of its Contractual Obligations (except in respect of Contractual Obligations entered into prior to the Petition Date) in any respect which could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Each Debtor has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other Property (except Intellectual Property which is addressed in Section 4.9), and none of such Property is subject to any Lien except as permitted by Section 7.3. Schedule 1.1B lists, as of the Closing Date, each parcel of owned real property and each leasehold interest in real property in respect of which aggregate annual rent payments in excess of $250,000 are payable, in each case, located in the United States and held by the Borrower or any of its Subsidiaries.

4.9 Intellectual Property. Each Debtor owns, or is licensed to use, all material Intellectual Property necessary for the conduct of its business as currently conducted, except as could not reasonably be expected to have a Material Adverse Effect. Schedule 4.9 sets forth all of the applications for federal registration and federally registered Intellectual Property owned or licensed by each Debtor on the Closing Date. No material claim has been asserted and is pending by any Person challenging or questioning the use of any Intellectual Property owned by each Debtor or the validity or effectiveness of any Intellectual Property owned by each Debtor, nor does SuperHoldings, Holdings or Borrower know of any valid basis for any such claim, except as could not reasonably be expected to have a Material Adverse Effect. The use of Intellectual Property by any Debtor and the conduct of each of their businesses do not infringe on

the rights of any Person, except as could not reasonably be expected to have a Material Adverse Effect.

4.10 Taxes. Each Loan Party has filed or caused to be filed all federal, state and other material Tax returns that are required to be filed and has paid all Taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other Taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Loan Party); no Tax Lien has been filed, and, to the knowledge of SuperHoldings, Holdings and the Borrower, no claim is being asserted, with respect to any such Tax, fee or other charge.

4.11 Federal Regulations. No part of the proceeds of any Loans or Letters of Credit will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose which violates the provisions of the Regulations of the Board. If requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

4.12 Labor Matters. There are no strikes or other material labor disputes against any Debtor pending or, to the knowledge of Holdings or the Borrower, threatened that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of any Debtor have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. All payments due from any Debtor on account of employee health and welfare insurance that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of the relevant Debtor.

4.13 ERISA; Employee Benefits Plans. (a) Other than the commencement of the Cases, which is a Reportable Event, during the five-year period prior to the date on which this representation is made or deemed made, and except as could not reasonably be expected to result in a Material Adverse Effect, (i) no Reportable Event has occurred with respect to any Single Employer Plan, (ii) each Plan has complied in all material respects with the applicable provisions of ERISA and the Code; (iii) prior to the effectiveness of the applicable provisions of the Pension Act, there has been no "accumulated funding deficiency" (within the meaning of Section 412 of the Code or Section 302 of ERISA) with respect to any Single Employer Plan, and, on and after the effectiveness of the applicable provisions of the Pension Act, there has been no failure of any Single Employer Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to any such Plan, in each case whether or not waived; (iv) there has been no filing pursuant to, prior to the effectiveness of the applicable provisions of the Pension Act, Section 412(d) of the Code or Section 303(d) of ERISA or, on and after the effectiveness of the applicable provisions of the Pension Act, Section 412(c) of the Code or Section 302(c) of ERISA, of an application for a

waiver of the minimum funding standard with respect to any Single Employer Plan or failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Single Employer Plan; (v) on and after the effectiveness of the applicable provisions of the Pension Act, there has been no determination that any Single Employer Plan is, or is expected to be, in 'at-risk" status (as defined in Section 430(i)(4) of the Code or Section 303(i)(4) of ERISA; (vi) no termination of a Single Employer Plan has occurred, and no Lien in favor of the PBGC or a Plan has arisen; (vii) no Loan Party or Commonly Controlled Entity has received from the PBGC or any Plan Administrator any notice relating to an intention to terminate any Single Employer Plan or Plans or to appoint a trustee to administer any Single Employer Plan; (viii) no Loan Party or Commonly Controlled Entity has had a complete or partial withdrawal from any Multiemployer Plan which has resulted or could reasonably be expected to result in material Withdrawal Liability under ERISA; (ix) no Multiemployer Plan is, or is expected to be, in Reorganization or Insolvent and (x) the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits by a material amount.

(b) Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (i) all employer and employee contributions required by applicable law or by the terms of any Foreign Benefit Arrangement or Foreign Plan have been made, or, if applicable, accrued in accordance with normal accounting practices; (ii) the accrued benefit obligations of each Foreign Plan (based on those assumptions used to fund such Foreign Plan) with respect to all current and former participants do not exceed the assets of such Foreign Plan; (iii) each Foreign Plan that is required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities; and (iv) each such Foreign Benefit Arrangement and Foreign Plan is in compliance (A) with all material provisions of applicable law and all material applicable regulations and published interpretations thereunder with respect to such Foreign Benefit Arrangement or Foreign Plan and (B) with the terms of such plan or arrangement.

4.14 Investment Company Act; Other Regulations. No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) which limits its ability to incur Indebtedness.

4.15 Capitalization and Subsidiaries. Schedule 4.15 sets forth (a) a correct and complete list of the name and relationship to SuperHoldings of each and all of SuperHoldings' Subsidiaries, (b) a true and complete listing of each class of each such Subsidiaries' authorized Capital Stock, of which all of such issued shares are validly issued, outstanding, fully paid and non-assessable, and owned beneficially and of record by the Persons identified on Schedule 4.15, and (c) the type of entity of SuperHoldings and each of its Subsidiaries. All of the issued and outstanding Capital Stock owned by any Loan Party has been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non-assessable.

4.16 Use of Proceeds. The proceeds of the Loans will be used for working capital purposes (including, without limitation, "Chapter 11 expenses" (or "administrative Costs reflecting Chapter 11 expenses"), repayment of loans under the Prepetition Credit Agreement and the cash collateralization of letters of credit permitted by Section 7.3(p)) and the payment of fees and expenses incurred in connection with entering into this Agreement and the transactions contemplated hereby; provided, except to the extent permitted by the Interim Order or the Final Order or authorized pursuant to any "first day" order approved by the Administrative Agent, that the proceeds of Loans and cash and Cash Equivalents of the Loan Parties may not be used (a) in connection with the investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Lenders, the Administrative Agent or any parties to the Prepetition Credit Agreement or (b) to pay obligations of the Debtors arising prior to the Petition Date.

4.17 Environmental Matters. (a) The facilities and properties owned, leased or operated by any Debtor (the "Properties") do not contain, and have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances which (i) constitute or constituted a violation of, or (ii) could give rise to liability under, any Environmental Law, except in either case insofar as such violation or liability, or any aggregation thereof, could not reasonably be expected to result in a Material Adverse Effect.

(b) The Properties and all operations at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, except for noncompliance that could not reasonably be expected to result in a Material Adverse Effect, and there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the business operated by any Debtor (the "Business") which could reasonably be expected to result in a Material Adverse Effect. As of the Closing Date, no Debtor has assumed any liability of any other Person under Environmental Laws that could not reasonably be expected to result in a Material Adverse Effect.

(c) No Debtor has received any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the Business, nor does SuperHoldings, Holdings or the Borrower have knowledge that any such notice will be received or is being threatened; except insofar as such notice or threatened notice referred to in this paragraph, or any aggregation thereof, does not involve a matter or matters that could reasonably be expected to result in a Material Adverse Effect.

(d) Materials of Environmental Concern have not been transported or disposed of from the Properties in violation of, or in a manner or to a location which could give rise to liability under, any Environmental Law, nor have any Materials of Environmental Concern been generated, treated, stored or disposed of at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law; except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, could not reasonably be expected to result in a Material Adverse Effect.

(e) No judicial proceeding or governmental or administrative action is pending or, to the knowledge of SuperHoldings, Holdings and the Borrower, threatened, under

any Environmental Law to which any Debtor is or, to the knowledge of SuperHoldings, Holdings and the Borrower, will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding arising under any Environmental Law with respect to the Properties or the Business, except insofar as such proceeding, action, decree, order or other requirement, or any aggregation thereof, could not reasonably be expected to result in a Material Adverse Effect.

(f) There has been no release or threat of release of Materials of Environmental Concern at or from the Properties, or arising from or related to the operations of any Debtor in connection with the Properties or otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws, except insofar as any such violation or liability referred to in this paragraph, or any aggregation thereof, could not reasonably be expected to result in a Material Adverse Effect.

4.18 Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished to the Administrative Agent, the Lenders, the Bankruptcy Court or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not misleading. The projections contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.19 Security Documents. (a) Subject to the Carve Out, the Interim Order is (and the Final Order when entered will be) effective to create in favor of the Lenders legal, valid, enforceable and fully perfected security interests in and Liens on the Collateral described therein.

(b) Without limiting the foregoing, the Loan Documents are effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Stock described in the Guarantee and Collateral Agreement, when stock certificates representing such Pledged Stock are delivered to the Administrative Agent, and in the case of the other Collateral described in the Guarantee and Collateral Agreement in which a security interest may be perfected by filing a financing statement, when financing statements in appropriate form are filed in the offices specified on Schedule 4.19(b), the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for

the Obligations (as defined in the Guarantee and Collateral Agreement), in each case prior and superior in right to any other Person.

(c) Each of the Mortgages, when executed and delivered, will be effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages referred to in Section 6.13 are filed in the offices specified on Schedule 4.19(c), each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person, except for Liens permitted in Section 7.3.

4.20 Insurance. Schedule 4.20 sets forth a description of all insurance maintained by or on behalf of the Loan Parties and the Subsidiaries as of the Closing Date. As of the Closing Date, all premiums in respect of such insurance have been paid. The Borrower believes that the insurance maintained by or on behalf of the Borrower and its Subsidiaries is adequate and commercially reasonable.

4.21 Material Contracts. The Debtors are in material compliance with each material contract entered into by any Debtor after the Petition Date or entered into prior to the Petition Date and assumed pursuant to the Bankruptcy Code. As of the Closing Date, the Debtors have assumed the contracts entered into prior to the Petition Date and listed on Schedule 4.21 hereto.

Section 5. CONDITIONS PRECEDENT

5.1 Conditions to First Availability Date. The agreement of each Lender to make the Term Loans and the Initial Revolving Credit Loans and issue the Initial Letters of Credit requested to be made or issued by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received (i) this Agreement, executed and delivered by a duly authorized officer of SuperHoldings, Holdings and the Borrower and (ii) the Guarantee and Collateral Agreement, executed and delivered by a duly authorized officer of SuperHoldings, Holdings, the Borrower and each Subsidiary Guarantor.

(b) Certificates of Good Standing. The Administrative Agent shall have received a long form good standing certificate for each Debtor from its jurisdiction of organization.

(c) Prepetition Obligations. All Prepetition Obligations outstanding under the Prepetition Credit Agreement, except for the Prepetition Letters of Credit and other amounts acceptable to the Administrative Agent, acting in its sole discretion, shall be paid in full (giving effect to any repayment from proceeds of the Term Loans).

(d) Financial Statements. The Lenders shall have received (i) audited consolidated financial statements of each of Holdings and the Borrower referred to in the

first sentence of each of subsections 4.1(b)(i) and 4.1(b)(ii), (ii) unaudited interim consolidated financial statements of each of Holdings and the Borrower for each quarterly period ended subsequent to the date of the latest applicable financial statements delivered pursuant to clause (i) of this paragraph through March 31, 2011 and, in the case of quarterly financial statements, such quarterly period ending at least 45 days prior to the Closing Date, and such financial statements shall be reasonably satisfactory to the Administrative Agent and (iii) the Budget, in form and substance reasonably satisfactory to the Administrative Agent, accompanied by a certificate of a Responsible Officer of the Borrower stating that such Budget is based on estimates, information and assumptions believed by management of the Borrower to be reasonable on the Closing Date and that such Responsible Officer (not in his or her individual capacity, but solely as a Responsible Officer) has no reason to believe that the projections set forth therein are incorrect or misleading in any material respect (it being understood and agreed that the projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Responsible Officer and that no assurance can be given that any of the projections will be realized, and that the Budget is not a guarantee of financial performance and actual results may differ from the Budget and such differences may be material).

(e) Approvals. All material governmental and third party approvals necessary in connection with the continuing operations of the Debtors and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(f) Fees. The Lenders, the Administrative Agent and the Arrangers shall have received all fees required to be paid, and all expenses for which invoices have been presented, on or before the Closing Date, or such fees and expenses shall have been designated for payment on the Closing Date from the proceeds of the Term Loans.

(g) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions of organization of the Loan Parties, and such search shall reveal no Liens on any of the assets of the Debtors except for Liens permitted by Section 7.3 or Liens to be discharged on or prior to the Closing Date in a manner reasonably satisfactory to the Administrative Agent.

(h) Appraisals and Field Exams. The Arrangers shall have received and be reasonably satisfied with (i) appraisals of Inventory of the Loan Parties and (ii) field exams of the Accounts, Inventory and related data processing and other systems of the Loan Parties, in each case from appraisers reasonably satisfactory to the Arrangers (it being understood that as of June [__], such condition has been satisfied).

(i) Closing Certificate. The Administrative Agent shall have received, with a counterpart for each Lender, a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with appropriate insertions and attachments.

(j) Legal Opinions. The Administrative Agent shall have received the following executed legal opinions:

(i) the legal opinion of Kirkland & Ellis LLP, counsel to SuperHoldings, Holdings and the Borrower, substantially in the form of Exhibit F; and

(ii) the legal opinion of local counsel in Kansas and Illinois.

Each such legal opinion shall cover such matters incident to the transactions contemplated by this Agreement as the Administrative Agent may reasonably require.

(k) Pledged Stock; Stock Power; Pledged Notes. The Administrative Agent shall have received (i) the certificates representing the shares of Capital Stock pledged pursuant to the Guarantee and Collateral Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note pledged to the Administrative Agent pursuant to the Guarantee and Collateral Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank reasonably satisfactory to the Administrative Agent) by the pledgor thereof.

(l) Filings, Registrations and Recordings. Subject to Section 6.13, each document (including, without limitation, any UCC financing statement) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded in order to create in favor of the Administrative Agent, for the benefit of the Lenders, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Liens expressly permitted by Section 7.3), shall be in proper form for filing, registration or recordation.

(m) Insurance. Except as set forth in Section 6.13(b), the Administrative Agent shall be satisfied with the insurance program to be maintained by Holdings and its Subsidiaries and shall have received satisfactory insurance certificates with respect thereto.

(n) Funding Accounts. The Administrative Agent shall have received a notice setting forth the deposit account(s) of the Borrower to which the Lender is authorized by the Borrower to transfer the proceeds of any Borrowings requested or authorized pursuant to this Agreement.

(o) "Know Your Customer" Requirements. The Lenders shall have received at least three days prior to the Closing Date all documentation and other information reasonably requested by the Administrative Agent and required under applicable "know your customer" and anti-money laundering rules and regulations, including all information required to be delivered pursuant to Section 10.16.

(p) Interim Order. At the time of the making of the initial extension of credit, and in any event no later than five Business Days after the Petition Date (or such later

date agreed to by the Administrative Agent in its sole discretion), the Administrative Agent shall have received a copy of the Interim Order, which Interim Order shall (i) be in form and substance reasonably satisfactory to the Administrative Agent, (ii) be in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect, in the case of any modification or amendment, in a manner, or relating to a matter, without the consent of the Administrative Agent and (iii) authorize extensions of credit to the Borrower in amounts not in excess of $[insert face amount of Rollover Letters of Credit] of Revolving Credit Loans and Letters of Credit (the "Initial Letters of Credit") or such other amount acceptable to the Administrative Agent as may be approved by order of the Bankruptcy Court (the "Interim Revolving Credit Loan Availability Amount"), and $125,000,000 of Term Loans. The Debtors shall be in compliance in all respects with the Interim Order pursuant to the terms therein.

(q) First-Day Motions. All motions and orders submitted to the Bankruptcy Court on or about the Petition Date shall be in form and substance reasonably satisfactory to the Administrative Agent, and the Administrative Agent shall be reasonably satisfied with any Cash Collateral arrangements applicable to any material pre-Petition Date secured obligations of the Loan Parties.

(r) Initial Cash Flow Forecast. The Administrative Agent shall have received a 13-week cash flow projection of the Debtors, which shall be in form and substance reasonably satisfactory to the Administrative Agent (the "Initial Cash Flow Forecast") and certified by a Responsible Officer of the Borrower as being prepared based upon good faith estimates and assumptions that are believed by such Responsible Officer to be reasonable at the time made and that such Responsible Officer is not aware of (x) any information contained in such cash flow forecast which is false or misleading in any material respect or (y) any omission of information which causes such cash flow forecast to be false or misleading in any material respect (it being understood and agreed that any forecasts contained in the Initial Cash Flow Forecast is subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and that no assurance can be given that such forecasts will be realized and that the Initial Cash Flow Forecast is not a guarantee of financial performance and actual results may differ from the Initial Cash Flow Forecast and such differences may be material).

(s) Prepetition Letters of Credit. The Letters of Credit (as defined in the Prepetition Credit Agreement) outstanding under the Prepetition Credit Agreement on the Petition Date and described in Schedule 5.1(s) (the "Prepetition Letters of Credit") shall have been cash collateralized (or shall be cash collateralized upon funding of the Term Loans) at 101% of the face amounts thereof on terms reasonably acceptable to the Administrative Agent.

5.2 Conditions to Second Availability Date. The agreement of each Lender to make the Final Revolving Credit Loans requested to be made by it is subject to the satisfaction, prior to or concurrently with the making of such extension of credit, of the following conditions precedent:

(a) Final Order. (i) The Final Order shall be in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect; (ii) the Final Order shall have been entered by the Bankruptcy Court no later than thirty-five days after the Petition Date (or such later date agreed to by the Administrative Agent in its sole discretion) and at the time of any such extension of credit the Final Order shall be in full force and effect, and shall not have been vacated, stayed, reversed, modified or amended in any respect without the prior written consent of the Administrative Agent and the Required Lenders; (iii) if the Final Order is the subject of a pending appeal in any respect, none of the making of such extensions of credit, the grant of Liens and Superpriority Claims pursuant to Section 2.24 or otherwise hereunder or the performance by the Borrower or any Guarantor of any of their respective obligations under any of the Loan Documents shall be the subject of a presently effective stay pending appeal; and (iv) the Loan Parties shall be in compliance with the Final Order in accordance with the terms therein.

(b) Fees and Expenses. All fees and expenses required to be paid hereunder and invoiced before the Second Availability Date shall have been paid in full in cash.

(c) Ratings. The Loan Parties shall have used, and shall have caused their respective Subsidiaries to use, commercially reasonable efforts to obtain ratings on the Facility by Moody's and S&P.

5.3 Conditions to Each Extension of Credit. The agreement of each Lender to make any extension of credit requested to be made by it on any date (including, without limitation, its initial extension of credit) is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.3 have been satisfied.

Section 6. AFFIRMATIVE COVENANTS

SuperHoldings, Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of SuperHoldings, Holdings and the Borrower shall and shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent and each Lender:

(a) (i) within 105 days after the end of each fiscal year of Holdings, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without any qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing; and

(ii) within 105 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on without any qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing;

(b) (i) not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Holdings, the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments); and

(ii) not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments);

(c) (i) not later than 30 days after the end of each fiscal month (other than the third, sixth, ninth and twelfth fiscal month in each fiscal year) of Holdings, the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such fiscal month and the related unaudited consolidated statements of income and of cash flows for such fiscal month and the portion of the fiscal year through the end of such fiscal month, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments); and

(ii) not later than 30 days after the end of each fiscal month (other than the third, sixth, ninth and twelfth fiscal month in each fiscal year) of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such fiscal month and the related unaudited consolidated statements of income and of cash flows for such fiscal month and the portion of the fiscal year through

the end of such fiscal month, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments);

all such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

6.2 Certificates; Other Information. Furnish to the Administrative Agent and each Lender, or, in the case of clause (i), to the relevant Lender:

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, a Compliance Certificate of a Responsible Officer stating, among the matters included in Exhibit B, that (i) to the best of each such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) in the case of quarterly or annual financial statements, to the extent not previously disclosed to the Administrative Agent, a description of any change in the jurisdiction of organization of any Loan Party and a listing of any applications for registration and registered Intellectual Property acquired by any Loan Party since the date of the most recent list delivered pursuant to this clause (ii) (or, in the case of the first such list so delivered, since the Closing Date);

(c) [Reserved];

(d) within 45 days after the end of each fiscal quarter of Holdings, a narrative discussion and analysis of the financial condition and results of operations of Holdings and its Subsidiaries (including, without limitation, with respect to cost savings, restructuring costs and other matters as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request) for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the portion of the Budget covering such periods; and

(e) within 45 days after the end of each fiscal quarter of the Borrower, a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries (including, without limitation, with respect to cost savings, restructuring costs and other matters as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request) for such

fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the portion of the Budget covering such periods;

(f) [Reserved];

(g) within five days after the same are sent, copies of all financial statements and reports which Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities and within five days after the same are filed, copies of all financial statements and reports which Holdings or the Borrower may make to, or file with, the Securities and Exchange Commission or any successor or analogous Governmental Authority;

(h) as soon as available but in any event within 15 days of the end of each fiscal month (or within 5 Business Days of the end of each week during the continuance of an Event of Default or during any period following a day on which Revolving Credit Availability is less than the greater of (x) 25% of the Total Revolving Credit Commitments and (y) $18,750,000; provided that such period shall be discontinued if Revolving Credit Availability ceases to be less than such level for 60 consecutive days; provided further, however, that such period may be discontinued no more than twice in any period of 12 consecutive months,) a Borrowing Base Certificate and supporting information in connection therewith, together with any additional reports with respect to the Borrowing Base as the Administrative Agent may reasonably request;

(i) concurrently with the delivery of each Borrowing Base Certificate (or at such other times as the Administrative Agent may reasonably request), a certificate from a Responsible Officer of the Borrower setting forth the Revolving Credit Availability as of the period then ended, together with supporting information in connection therewith;

(j) promptly upon obtaining knowledge of any such event, circumstance or change, a written notice of any event, circumstance or change that has occurred since the delivery of the most recent Borrowing Base Certificate in accordance with the terms of this Agreement that would materially reduce the aggregate amount of the Eligible Accounts Receivable or result in a material portion of the Eligible Accounts Receivable ceasing to be Eligible Accounts Receivable, in each case, other than as a result of payments thereof;

(k) [Reserved];

(l) prompt written notice of any casualty or other insured damage to any material portion of the Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or interest therein under power of eminent domain or by condemnation or similar proceeding;

(m) no later than Friday of every other calendar week, commencing on July 15, 2011 a rolling 13-week cash flow projection of the Borrower and its Subsidiaries substantially in the form of the Initial Cash Flow Forecast (each, a "Cash Flow Forecast"), which shall be certified by a Responsible Officer as being prepared based

upon good faith estimates and assumptions that are believed by such Responsible Officer to be reasonable at the time made and that such Responsible Officer is not aware of (x) any information contained in such cash flow forecast which is false or misleading in any material respect or (y) any omission of information which causes such cash flow forecast to be false or misleading in any material respect;

(n) no later than Friday of every other calendar week, commencing on July 15, 2011, a variance report in form reasonably satisfactory to the Administrative Agent, showing on a line item basis the percentage and dollar variance of actual cash disbursements and cash receipts for each of the prior two weeks from the amounts set forth for each such period in the most recent Cash Flow Forecast and a narrative analysis of each material variance for the prior two week period;

(o) (i) commencing on [_____], 2011, a certificate of a Responsible Officer containing all information and calculations necessary for determining compliance with Section 7.1(a) no later than Friday of every other calendar week and no later than 30 days after the end of every calendar month for determining compliance with Section 7.1(b) and (ii) concurrently with the delivery of any financial statements pursuant to Sections 6.1(a) and (b), a certificate of a Responsible Officer of the Borrower containing all information and calculations necessary for determining compliance with Section 7.7;

(p) [Reserved];

(q) no later than [_____], 2011, the consolidated forecasts of the consolidated balance sheet of the Borrower and its Subsidiaries for each fiscal quarter, beginning with the fiscal quarter ending [_____], 2011 and ending with the fiscal quarter ending [_____], 2012, including the material assumptions on which such forecasts were based (including, but not limited to, future cost reduction initiatives);]

(r) contemporaneously upon such filing or distribution, copies of all orders, pleadings and motions, applications, judicial information, financial information, plan of reorganization or liquidation and/or any disclosure statement related to such plan and other documents to be filed by or on behalf of the Debtors with the Bankruptcy Court or the United States Trustee in the Cases, or to be distributed by or on behalf of the Debtors to any Committee (other than (i) pleadings, motions applications or other filings which would reasonably expected to be immaterial to the Administrative Agent and the Lenders, (ii) emergency pleadings, motions or other filings where, despite such Debtor's best efforts, such contemporaneous delivery is impracticable, which shall be delivered as soon as practicable after the filing or distribution thereof and (iii) copies of pleadings and motions in connection with the Facilities or the Cash Collateral, which shall be delivered as soon as practicable in advance of the filing or distribution thereof); provided, however, notwithstanding any of the foregoing to the contrary, the Loan Parties' obligations in this clause (q) will be deemed satisfied if and to the extent any of such information and documents is publicly available; and

(s) promptly, such additional financial and other information as any Lender may from time to time reasonably request through the Administrative Agent.

6.3 Payment of Obligations. Except in accordance with the Bankruptcy Code or by an applicable order of the Bankruptcy Court, pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, (i) all its post-petition material taxes and other material obligations of whatever nature that constitute administrative expenses under Section 503(b) of the Bankruptcy Code in the Cases, except, so long as no material property (other than money for such obligation and the interest or penalty accruing thereon (or property with a value not in excess of such amounts)) of any Loan Party is in danger of being lost or forfeited as a result thereof, no such obligation need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings and any required reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Debtor and (ii) all material obligations arising from Contractual Obligations entered into after the Petition Date or from Contractual Obligations entered into prior to the Petition Date and assumed and which are permitted to be paid post-petition by order of the Bankruptcy Court that has been entered with the consent of (or non-objection by) the Administrative Agent.

6.4 Conduct of Business and Maintenance of Existence, etc. (a) (i) Preserve, renew and keep in full force and effect its corporate existence and (ii) take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (b) subject to the effect of the Cases, comply with all Contractual Obligations and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Except for Property that is obsolete, worn out or economically non viable for Borrower's business, keep all Property useful and necessary in its business in good working order and condition, ordinary wear and tear and damage by casualty or condemnation excepted; (b) maintain with financially sound and reputable insurance companies insurance on all its Property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business; and (c) furnish to the Administrative Agent, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

6.6 Inspection of Property; Books and Records; Discussions; Appraisals; Field Examinations. (a) (i) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (ii) permit representatives designated by the Administrative Agent (which may be a Lender or any representative of a Lender) in consultation with the Borrower, upon reasonable prior written notice to the Borrower and at the reasonable expense of the Borrower, to visit and inspect any of its properties and examine and make abstracts from any of its books and records during the Borrower's normal business hours and to discuss the business, operations, properties and financial and other condition of Holdings,

the Borrower and their respective Subsidiaries with officers and employees of Holdings, the Borrower and such Subsidiaries and with their independent certified public accountants.

(b) On no more than one occasion prior to the Termination Date (in addition to the appraisals referred to in Section 5.1(h)), but not prior to November 1, 2011, provide the Administrative Agent with appraisals or updates thereof of Inventory of the Borrower and its Subsidiaries from an appraiser selected and engaged by the Administrative Agent, and prepared on a basis reasonably satisfactory to the Administrative Agent, such appraisals and updates to include without limitation, information required by applicable law and regulations; provided, however that if an Event of Default has occurred and is continuing, there shall be no limitation on the number of such appraisals. For purposes of this Section 6.6(b), it is understood and agreed that a single appraisal may consist of examinations conducted at multiple relevant sites and involve one or more relevant Loan Parties and their assets. All such appraisals shall be at the sole expense of the Loan Parties.

(c) On no more than one occasion prior to the Termination Date (in addition to the field examination referred to in Section 5.1(h)), but not prior to November 1, 2011, at the request of the Administrative Agent, permit, upon reasonable notice, the Administrative Agent to conduct a field examination to ensure the adequacy of Collateral included in the Borrowing Base and related reporting and control systems; provided, however that if an Event of Default has occurred and is continuing, there shall be no limitation on the number or frequency of field examinations. For purposes of this Section 6.6(c), it is understood and agreed that a single field examination may be conducted at multiple relevant sites and involve one or more relevant Loan Parties and their assets. All such field examinations shall be at the sole expense of the Loan Parties.

6.7 Notices. Promptly give notice to the Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Debtor (other than defaults resulting from the filing of the Cases or from the rejection under Section 365 of the Bankruptcy Code of any executory contracts or leases) or (ii) litigation, investigation or proceeding which may exist at any time between any Debtor and any Governmental Authority, which in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation not subject to the automatic stay under the Bankruptcy Code or any proceeding other than in connection with the Cases against a Debtor in which the amount involved is $1.000,000 or more and not covered by insurance or in which injunctive or similar relief is sought;

(d) the following events, as soon as possible and in any event within 30 days after the Borrower knows or has reason to know thereof: (i) the occurrence of any Reportable Event with respect to any Single Employer Plan, a failure to make by its due

date a required installment under Section 430(j) of the Code with respect to any Single Employer Plan, any failure by any Single Employer Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA applicable to such Plan, any determination that any Single Employer Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Title IV of ERISA), the termination of any Single Employer Plan, or the creation of any Lien in favor of the PBGC or any Plan; (ii) any failure to make any material required contribution to a Multiemployer Plan, any withdrawal from, termination, Reorganization, or Insolvency of any Multiemployer Plan, or any determination that any such Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA, or the institution of proceedings or the taking of any other action by the PBGC or the Borrower or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, or determination that any such Multiemployer Plan is in endangered or critical status; or (iii) any failure to make or accrue any material employer or employee contribution required by law or normal accounting practices to a Foreign Benefit Arrangement or Foreign Plan, the accrued benefit obligations of any Foreign Plan (based on those assumptions used to fund such Foreign Plan) with respect to all current and former participants shall exceed the assets of such Foreign Plan by a material amount, any Foreign Plan required to be registered shall not be in good standing with applicable regulatory authorities, or any Foreign Benefit Arrangement or Foreign Plan shall not be in compliance with any material provision of applicable law or applicable regulations or with the material terms of such plan or arrangement;

(e) any development or event which has had or could reasonably be expected to have a Material Adverse Effect;

(f) as soon as possible after a Responsible Officer knows or reasonably should know thereof, the failure to make any rental payment when due and payable with respect to any property leased by the Borrower or any of its Domestic Subsidiaries at which Inventory of the Borrower or any of its Domestic Subsidiaries is located; and

(g) any sale or other disposition by the Primary Investors of any Capital Stock having ordinary voting power in the election of directors of SuperHoldings or Holdings.

Each notice pursuant to this Section 6.7 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Debtor proposes to take with respect thereto.

6.8 Environmental Laws. (a) Comply with, and use commercially reasonable efforts to ensure compliance by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply with and maintain, and use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws; except, in each case, to the extent the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required by Environmental Laws and promptly comply with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws, except, in each case, to the extent the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

6.9 Additional Collateral, etc. (a) With respect to any Property acquired after the Closing Date by any Debtor (other than (x) any Property described in paragraph (b), (c) or (d) below and (y) any Property subject to a Lien expressly permitted by Section 7.3(g)) as to which the Administrative Agent, for the benefit of the Lenders, does not have a perfected Lien, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or advisable in order to grant to the Administrative Agent, for the benefit of the Lenders, a security interest in such Property and (ii) take all actions necessary or advisable to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in such Property, including without limitation, the filing of UCC financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(b) With respect to any interest in any owned real property having a value (together with improvements thereof) of at least $250,000 acquired after the Closing Date by any Debtor (other than any such real property subject to a Lien expressly permitted by Section 7.3(g)), as to which the Administrative Agent does not have a perfected Lien, promptly (i) execute and deliver a first priority Mortgage in favor of the Administrative Agent, for the benefit of the Lenders, covering such real property, (ii) if reasonably requested by the Administrative Agent, provide the Lenders with (x) title and extended coverage insurance from a title insurance company reasonably satisfactory to the Administrative Agent and covering such real property in an amount at least equal to the purchase price of such real estate (or such other amount as shall be reasonably specified by the Administrative Agent), subject to the Liens as permitted by Section 7.3, as well as a current ALTA survey thereof from a surveyor reasonably satisfactory to the Administrative Agent, together with a surveyor's certificate provided that, if the applicable Debtor is able to obtain a "no change" affidavit acceptable to the title company and the Administrative Agent to enable it to issue a title policy removing all exceptions which would otherwise have been raised by the title company as a result of the absence of a new survey for such real property, and issuing all survey related endorsements and coverages, then a new survey shall not be required and (y) any consents or estoppels reasonably deemed necessary or advisable by the Administrative Agent in connection with such mortgage or deed of trust, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent provided that, Borrower shall only be required to exercise commercially best efforts to obtain such consents or estoppels and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions in local counsel and counsel in the jurisdiction where the owner of such real property is organized relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) With respect to any new Subsidiary (other than an Excluded Foreign Subsidiary) created or acquired after the Closing Date (which, for the purposes of this paragraph

(c), shall include any existing Subsidiary that ceases to be an Excluded Foreign Subsidiary) by any Debtor, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable in order to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Capital Stock of such new Subsidiary which is owned by such Debtor, (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Debtor, (iii) cause such new Subsidiary (A) to become a party to the Guarantee and Collateral Agreement and (B) to take such actions necessary or advisable to grant to the Administrative Agent for the benefit of the Lenders a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement with respect to such new Subsidiary (subject to any existing Liens on such Collateral securing Indebtedness existing at the time such new Subsidiary is created or acquired, so long as such Indebtedness was not incurred in anticipation of such creation or acquisition and such Lien is not spread to encumber additional property of such Subsidiary), including, without limitation, the filing of UCC financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(d) With respect to any new Excluded Foreign Subsidiary created or acquired after the Closing Date by any Debtor, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable in order to grant to the Administrative Agent, for the benefit of the Lenders, a perfected first priority security interest in the Capital Stock of such new Subsidiary which is owned by such Debtor (provided that in no event shall more than 65% of the total outstanding Capital Stock of any such new Subsidiary be required to be so pledged), (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of such Debtor, and take such other action as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the Lien of the Administrative Agent thereon, and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(e) Subject to the Orders, execute and deliver, or cause to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and take or cause to be taken such further actions which may be required by law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Security Documents and the Orders, all at the expense of the Loan Parties.

6.10 Control Agreements. (a) (i) Enter into the Deposit Account Control Agreements required to be provided pursuant to Section 6.1 of the Guarantee and Collateral Agreement, (ii) enter into the Local Blocked Account Agreements required to be provided

pursuant to Section 6.4 of the Guarantee and Collateral Agreement, (iii) enter into the Collateral Access Agreements required to be provided pursuant to Section 5.13 of the Guarantee and Collateral Agreement, (iii) open the Collection Account with the Administrative Agent and (iv) deliver to the Administrative Agent executed DDA Notifications (as defined in the Guarantee and Collateral Agreement) required to be provided pursuant to Section 6.4 of the Guarantee and Collateral Agreement. In connection with the foregoing, the Borrower shall, if requested by the Administrative Agent, promptly deliver to the Administrative Agent a favorable written opinion (addressed to the Administrative Agent and the Lenders) of counsel for the Borrower and the other Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent and covering customary matters relating to such control and access agreements.

(b) The Borrower shall determine the aggregate balance of cash and Cash Equivalents of all Loan Parties in accounts (including Reserved Local Blocked Accounts but other than (i) each Deposit Account, the funds in which are used, in the ordinary course of business, solely for the payment of salaries and wages, workers' compensation, pension benefits and similar expenses or taxes related thereto, (ii) each Deposit Account (other than a Reserved Local Blocked Account) used, in the ordinary course of business, solely for daily accounts payable and that has an ending daily balance of zero and (iii) each Deposit Account (other than Reserved Local Blocked Accounts) used in the ordinary course of business for local store accounts (which shall be governed by Section 6.4 of the Guarantee and Collateral Agreement)) not subject to Deposit Account Control Agreements or other appropriate control agreements in favor of the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent at each time when the Borrower delivers Borrowing Base reports pursuant to Section 6.2(g), and (x) if such aggregate balance under clause (ii) above shall at any time of determination exceed $1,000,000, the Borrower shall promptly eliminate such excess from such accounts or shall within 30 days enter, or cause the applicable Loan Parties to enter, into one or more Deposit Account Control Agreements or other appropriate control agreements in favor of the Administrative Agent in form and substance reasonably satisfactory to the Administrative Agent so that there shall not thereafter be any such excess and (y) if such aggregate balance in Reserved Local Blocked Accounts shall at any time of determination exceed $1,000,000, the Borrower shall, within three Business Days, eliminate such excess from such accounts; provided, however, that the Borrower shall have 30 days after the Closing Date (or such later date as the Administrative Agent shall agree in its Permitted Discretion) to obtain such Deposit Account Control Agreements or other appropriate control agreements.

6.11 Update Calls. As and when requested by the Administrative Agent (and in any event once per month) at such times as the Borrower and the Administrative Agent shall agree, the Borrower shall host (i) a "private side" conference call (with a question and answer period) with the chief financial officer of the Borrower and such other members of senior management of the Borrower as the Borrower deems appropriate and the Administrative Agent and the Lenders and their respective representatives and advisors to discuss the performance of the business, strategic alternatives and other issues as the Administrative Agent may reasonably request and (ii) a "public side" conference call with the chief financial officer of the Borrower and such other members of senior management of the Borrower as the Borrower deems appropriate and the Administrative Agent and the Lenders and their respective representatives and advisors to discuss the performance of the business and other issues as the Administrative

Agent may reasonably request, but in each case excluding material information regarding the Debtors that is not publicly available.

6.12 Ratings. Use commercially reasonable efforts to obtain, on or prior to the Final Order Entry Date, ratings on the Facilities from S&P and Moody's.

6.13 Post Closing Covenants. (a) Deliver Deposit Account Control Agreements and Local Blocked Account Agreements required by Section 6.10 as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof;

(b) deliver the evidence of insurance and related certificates and endorsements required by Section 5.1(m) as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof;

(c) deliver the Intellectual Property filings that may be required pursuant to Section 5.1(l) as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof; and

(d) if requested by the Administrative Agent, acting in its sole discretion, deliver to the Administrative Agent as soon as practicable but in any event within 30 days after any such request, as such compliance period may be extended by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof, Mortgages for each Mortgaged Property existing on the Closing Date, in each case in form and substance reasonably satisfactory to the Administrative Agent, executed and delivered by a duly authorized officer of each party thereto and, for each Mortgaged Property:

(i) A mortgagee's title insurance policy (or policies) or marked up unconditional binder for such insurance. Each such policy, subject to the Liens as permitted by Section 7.3, shall (A) be in an amount reasonably satisfactory to the Administrative Agent; (B) be issued at ordinary rates; (C) insure that the Mortgage insured thereby creates a valid first Lien on such Mortgaged Property free and clear of all defects and encumbrances, except as disclosed therein; (D) name the Administrative Agent for the benefit of the Lenders as the insured thereunder; (E) be in the form of ALTA Loan Policy - 2006 (or equivalent policies or such other form of loan policy as is authorized in the state in which the Mortgaged Property is located); (F) contain such title endorsements and affirmative coverage as the Administrative Agent may reasonably request, to the extent available at commercially reasonable rates and (G) be issued by title companies reasonably satisfactory to the Administrative Agent (including any such title companies acting as co-insurers or reinsurers, at the option of the Administrative Agent). The Administrative Agent shall have received evidence reasonably satisfactory to it that all premiums in respect of each such policy, all charges for mortgage recording tax, and all related expenses, if any, have been paid.

(ii) If requested by the Administrative Agent, legal opinions of local counsel in each jurisdiction where a Mortgaged Property is located and legal opinions in each jurisdiction where the owner of each Mortgaged Property is organized, in each case, in form and substance reasonably satisfactory to the Administrative Agent.

(iii) A copy of all recorded documents referred to, or listed as exceptions to title insurance, the title policy or policies referred to in clause (i) above and a copy of all other material documents affecting the Mortgaged Properties.

(iv) (A) A "standard flood hazard determination", (B) for each Mortgaged Property which is located in a special flood hazard area, a policy of flood insurance which (1) covers any parcel of improved real property which is encumbered by any Mortgage (2) is written in an amount reasonably satisfactory to the Administrative Agent, and (3) has a term ending not later than the maturity of the Indebtedness secured by such Mortgage and (C) confirmation that the Borrower has received the notice required pursuant to Section 208.25(i) of Regulation H of the Board.

No Debtor shall be required to deliver any additional security documents pursuant to this Section 6.13, if, as determined by the Administrative Agent, acting in its sole discretion, the cost of obtaining or perfecting a security interest is excessive in relation to the benefit afforded to the Secured Parties thereby.

Section 7. NEGATIVE COVENANTS

SuperHoldings, Holdings and the Borrower hereby jointly and severally agree that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder, each of SuperHoldings, Holdings and the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) Minimum Liquidity. Permit Liquidity for any period of five consecutive Business Days to be less than $20,000,000.

(b) Minimum Cumulative Consolidated EBITDA. Permit the Consolidated EBITDA of the Debtors for any period beginning on July 1, 2011 and ending on the last Business Day of each of the months set forth below to be less than the amount set forth opposite such month:

Month	Minimum Consolidated EBITDA
July 2011	$3,500,000
August 2011	$35,000,000

September 2011	$40,000,000
October 2011	$35,000,000
November 2011	$35,000,000
December 2011	$35,000,000
January 2012	$65,000,000
February 2012	$60,000,000
March 2012	$55,000,000
April 2012	$55,000,000
May 2012	$55,000,000
June 2012	$55,000,000

7.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness of the Borrower to any Subsidiary and of any Wholly Owned Subsidiary Guarantor to the Borrower or any other Subsidiary; provided that any Indebtedness of any Loan Party owed to any Person that is not a Loan Party shall be subordinated to the payment in full of the Obligations;

(c) Indebtedness secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed $2,000,000 at any one time outstanding;

(d) Capital Lease Obligations in an aggregate principal amount not to exceed $5,000,000 at any one time outstanding;

(e) Indebtedness outstanding on the Petition Date and listed on Schedule 7.2(e);

(f) guarantees made in the ordinary course of business by the Borrower or any of its Subsidiaries of obligations of any Wholly Owned Subsidiary Guarantor created after the Petition Date;

(g) [Reserved];

(h) [Reserved];

(i) [Reserved];

(j) additional Indebtedness of the Borrower or any of its Subsidiaries in an aggregate principal amount at any one time outstanding for the Borrower and all Subsidiaries not to exceed $5,000,000 less the aggregate principal amount of Indebtedness incurred pursuant to clauses (c) and (d) above at such time; and

(k) Indebtedness of the Borrower in respect of Swap Agreements permitted by this Agreement.

Notwithstanding the foregoing, no Subsidiary of Holdings will create, incur, assume or suffer to exist any Guarantee Obligation in respect of any Indebtedness of Holdings.

7.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of SuperHoldings, Holdings, the Borrower or their respective Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 60 days or which are being contested in good faith by appropriate proceedings;

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

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions, encroachments, covenants, conditions, title exceptions, survey exceptions, minor defects and irregularities in title and other similar liens and encumbrances incurred in the ordinary course of business which, either individually or in the aggregate, are not substantial in amount and which do not in any case materially detract from the value, operation, use or occupancy of the Property subject thereto or materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries on the Property subject thereto;

(f) Liens in existence on the Petition Date listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(e), provided that no such Lien is spread to cover any additional Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) Liens securing Indebtedness of the Borrower or any other Subsidiary incurred pursuant to Section 7.2(c) to finance the acquisition of fixed or capital assets,

provided that (i) such Liens shall be created substantially simultaneously 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;

(h) Liens created pursuant to the Security Documents and/or the Orders and Liens permitted by any of the Orders;

(i) any interest or title of a lessor, sublessor, licensor or sublicensor under any lease or license entered into by the Borrower or any other Subsidiary in the ordinary course of its business and covering only the assets so leased or licensed;

(j) Liens not otherwise permitted by this Section 7.3 so long as neither (i) the aggregate outstanding principal amount of the obligations secured thereby nor (ii) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds (as to the Borrower and all Subsidiaries) $1,000,000 at any one time; provided that such Liens do not encumber the Capital Stock of Holdings, the Borrower or their respective Subsidiaries; and

(k) any covenants, conditions, encroachments, easements, restrictions, encumbrances and exceptions contained in any mortgagee's title insurance policy delivered in connection with the Prepetition Credit Agreement;

(l) any existing leases, subleases, licenses, sublicenses or similar use or occupancy agreements of all or any portion of a Mortgaged Property and any renewals and extensions thereof, any leases, subleases, licenses, sublicenses or similar use or occupancy agreements entered into upon the expiration or termination of any such lease, sublease, license, sublicense or similar use or occupancy agreements and any leases, subleases, license, sublicenses or similar use or occupancy agreements hereafter entered into of all or any portion of a Mortgaged Property not required by the Borrower for the operation of its business;

(m) any municipal, land use, zoning or similar law, ordinance, building code or right reserved to or vested in any governmental office or agency to control or regulate the use of any real property;

(n) ground leases in respect of real property on which facilities leased by any Loan Party are located;

(o) utility deposits, prepayments of trade creditors (to the extent permitted by Section 7.7) and the cash collateralization of performance bonds, in each case to the extent the same is (i) required as a result of the Cases and (ii) not in excess of 120% of the amounts set forth therefor in the Budget; and

(p) Liens on cash collateral securing the Prepetition Letters of Credit or any letters of credit replacing such Prepetition Letters of Credit (the "L/C Cash Collateral") in an aggregate amount not to exceed 101% of the face amount of the Prepetition Letters of

Credit (less the amount of cash collateral applied to the reimbursement of any such letters of credit (net of any such amounts returned by the beneficiary thereof in respect thereof)).

Notwithstanding the foregoing, none of the Liens permitted pursuant to this Section 7.3 may at any time attach to any Loan Party's (1) Accounts, other than those permitted under clause (h) above and those permitted under Section 7.3(h) and Section 7.3(m) of the Prepetition Credit Agreement as in effect on the date hereof and (2) Inventory, other than those permitted under clause (h) above and those permitted under Section 7.3(h) and Section 7.3(m) of the Prepetition Credit Agreement as in effect on the date hereof.

7.4 Limitation on Fundamental Changes. 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:

(a) any Subsidiary Guarantor 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 Wholly-Owned Subsidiary Guarantor (provided that the Wholly-Owned Subsidiary Guarantor shall be the continuing or surviving corporation); and

(b) any Subsidiary Guarantor may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any Wholly-Owned Subsidiary Guarantor.

7.5 Limitation on Sale of Assets. Dispose of any of its Property or business (including, without limitation, receivables and leasehold interests), 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:

(a) the Disposition of obsolete or worn out property in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) Dispositions permitted by Section 7.4(b) and any Dispositions from the Borrower to any Wholly Owned Subsidiary Guarantor;

(d) Sales of Assets set forth on Schedule 7.5; and

(e) the sale of other assets at fair market value provided that (i) such assets have a fair market value not to exceed $2,000,000 in the aggregate from the Closing Date and (ii) the consideration received by Holdings, the Borrower and their respective Subsidiaries for each such sale of assets shall not be less than 75% cash, provided, that the requirements of Section 2.9 are complied with in connection therewith.

7.6 Limitation on Restricted Payments. 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 shares of any class of

Capital Stock of SuperHoldings, Holdings, the Borrower or any of their respective Subsidiaries or any warrants or options to purchase any such Capital Stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of Holdings, the Borrower or any of their respective Subsidiaries (collectively, "Restricted Payments"), except that:

(a) any Subsidiary of the Borrower may make Restricted Payments to the Borrower or any other Subsidiary of the Borrower;

(b) to the extent permitted by the Orders, the Borrower may pay cash dividends to Holdings or SuperHoldings in aggregate amounts not to exceed $[_] and to the extent required for such entity to pay, without duplication, foreign federal, state and local income taxes, to the extent such income taxes are attributable to the income of the Borrower and its Subsidiaries; and

(c) the Borrower may pay dividends to Holdings or make investments in Holdings to permit Holdings, and Holdings may pay dividends to SuperHoldings or make investments in SuperHoldings to permit SuperHoldings, to pay corporate overhead expenses incurred in the ordinary course of business not to exceed $250,000 in any fiscal year.

7.7 Limitation on Investments, Loans and Advances. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of or any assets constituting all or a material part of a business unit of, or make any other investment in, any Person, except:

(a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to employees of the Borrower or any of its Subsidiaries in the ordinary course of business (including, without limitation, for travel, entertainment and relocation expenses) in an aggregate amount for the Borrower and its Subsidiaries not to exceed $250,000 at any one time outstanding;

(e) investments made by the Borrower or any of its Subsidiaries with the proceeds of any Reinvestment Deferred Amount;

(f) investments by Holdings, the Borrower or any of its Subsidiaries in the Borrower or any Person that, prior to such investment, is a Debtor; and

(g) acquisitions by the Borrower or any of its Subsidiaries of the Capital Stock of, or assets of, entities engaged in similar lines of business as the Borrower and its Subsidiaries on the Closing Date, provided, that (i) the aggregate purchase price for all such acquisitions occurring after the Closing Date shall not exceed $10,000,000, (ii) no Default or Event of Default shall have occurred or be continuing after giving effect to any

such acquisition, (iii) no Indebtedness shall be assumed by any Debtor in connection with any such acquisition except to the extent otherwise permitted pursuant to this Agreement, (iv) both immediately before and immediately after giving pro forma effect thereto, Revolving Credit Availability shall not be less than the greater of (x) 20% of the Total Revolving Credit Commitments and (y) $15,000,000 and (v) to the extent the aggregate purchase price of all such acquisitions made pursuant to this Section 7.7(g) after the Closing Date exceeds (or would exceed, giving effect to any such acquisition) $5,000,000, the Borrower shall have delivered to the Administrative Agent, prior to the consummation of any such acquisition, a certificate of a Responsible Officer to the effect that (x) such Responsible Officer reasonably expects each acquisition made pursuant to this Section 7.7(g) to result in an increase of Consolidated EBITDA (calculated to exclude the effects of one-time costs related to such acquisitions) of the Borrower during the twelve-month period following each of such acquisitions (as reasonably determined by the Borrower) by an amount which shall not be less than 25% of the purchase price for each such acquisition made pursuant to this Section 7.7(g) and (y) such acquisition otherwise complies with this Section 7.7(g);

(h) investments existing on the Petition Date and listed on Schedule 7.7;

(i) investments and advances made by the Borrower in Holdings to the extent permitted by Section 7.6(c); and

(j) other investments in an aggregate amount not to exceed $3,000,000 at any one time outstanding; provided that both immediately before and immediately after giving pro forma effect thereto, Revolving Credit Availability shall not be less than the greater of (i) 25% of the Total Revolving Credit Commitments and (ii) $18,750,000.

7.8 Limitation on Modifications of Material Documents. Amend its certificate of incorporation, bylaws or other organizational documents in any manner determined by the Administrative Agent to be adverse to the Lenders without the prior written consent of the Required Lenders except as required by the Bankruptcy Code.

7.9 Limitation on Transactions with Affiliates. Enter into any transaction, including, without limitation, 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 Holdings, the Borrower or any Wholly Owned Subsidiary Guarantor) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of Holdings, the Borrower or such Subsidiary, as the case may be, (c) exclusively among any Debtors or (d) upon fair and reasonable terms no less favorable to Holdings, the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate; provided that under no circumstance shall any Debtor enter into any transaction with any of the Sponsor or any Primary Investor other than related to the reimbursement of costs and expenses for board meetings.

7.10 Limitation on Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by any Debtor of real or personal property owned by any Debtor which has been or is to be sold or transferred by SuperHoldings, Holdings, the Borrower or such

Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of SuperHoldings, Holdings, the Borrower or such Subsidiary.

7.11 Limitation on Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than March 31 or change the Borrower's method of determining fiscal quarters or fiscal months, except as required by GAAP.

7.12 Limitation on Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement which prohibits or limits the ability of any Debtor to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, to secure the Obligations or, in the case of any guarantor, its obligations under the Guarantee and Collateral Agreement, other than (a) this Agreement and the other Loan Documents and (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby).

7.13 Limitation on Restrictions on Subsidiary Distributions. 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) pay dividends or make any other distributions 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 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 which has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Subsidiary.

7.14 Limitation on Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Borrower and its Subsidiaries are engaged on the date of this Agreement or which are related, ancillary or complementary thereto.

7.15 Limitation on Activities of Holdings and SuperHoldings. (a) In the case of Holdings, notwithstanding anything to the contrary in this Agreement or any other Loan Document, (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of the Capital Stock of the Borrower, (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (A) nonconsensual obligations imposed by operation of law, (B) pursuant to the Loan Documents to which it is a party and (C) obligations with respect to its Capital Stock, (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received from the Borrower in accordance with Section 7.6 pending application in the manner contemplated by said Section) and cash equivalents) other than the ownership of shares of Capital Stock of the Borrower or (iv) own the Capital Stock of any Subsidiary (other than the Borrower and its Subsidiaries).

(b) In the case of SuperHoldings, notwithstanding anything to the contrary in this Agreement or any other Loan Document, (i) conduct, transact or otherwise engage in, or commit to conduct, transact or otherwise engage in, any business or operations other than those incidental to its ownership of the Capital Stock of Holdings, (ii) incur, create, assume or suffer to exist any Indebtedness or other liabilities or financial obligations, except (A) nonconsensual obligations imposed by operation of law, (B) pursuant to the Loan Documents to which it is a party and (C) obligations with respect to its Capital Stock and (iii) own, lease, manage or otherwise operate any properties or assets (including cash (other than cash received from Holdings in accordance with Section 7.6 pending application in the manner contemplated by said Section) and cash equivalents) other than the ownership of shares of Capital Stock of Holdings or (iv) own the Capital Stock of any Subsidiary (other than Holdings and its Subsidiaries).

7.16 Swap Agreements. Enter into any Swap Agreement, except (a) Swap Agreements entered into in the ordinary course of business to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Capital Stock of the Borrower or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

7.17 No Non-Debtors. Permit SuperHoldings or any Subsidiary of SuperHoldings not to be a "debtor" and "debtor-in-possession" under the Cases.

7.18 Chapter 11 Claims. Incur, create, assume, suffer to exist or permit any other Superpriority Claim or Lien on any Collateral which is pari passu with or senior to the Obligations (or the Liens securing the Obligations) hereunder, except in each case for the Carve Out and Liens permitted pursuant to Section 7.3(g) which, in accordance with the Interim Order (or Final Order, as applicable), are senior to such Liens.

Section 8. EVENTS OF DEFAULT; APPLICATION OF PROCEEDS

8.1 Events of Default. If any of the following events shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Loan or any Reimbursement Obligation when due in accordance with the terms hereof; or the Borrower shall fail to pay any interest on any Loan or Reimbursement Obligation or any commitment fee or other amount payable hereunder or under any other Loan Document within three Business Days after any such interest, commitment fee or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or which is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made; or

(c) Any Loan Party shall default in the observance or performance of any agreement contained in (x) clause (j) of Section 6.2 and such default shall continue unremedied for a period of 3 Business Days or (y) clause (i) or (ii) of Section 6.4(a) (with respect to Holdings and the Borrower only), Section 6.7(a), 6.10(b)(y) or Section 7; or

(d) Any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of 30 days; or

(e) Any Debtor shall (i) default in making any payment of any principal of any Indebtedness (including, without limitation, any Guarantee Obligation, but excluding the Loans) incurred following the Petition Date on the scheduled or original due date with respect thereto; or (ii) default in making any payment of any interest on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided, that a default, event or condition described in clause (i), (ii) or (iii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i), (ii) and (iii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $500,000; or

(f) [Reserved]; or

(g) (i) Any Person shall engage in any Prohibited Transaction involving any Plan, (ii) any Single Employer Plan shall fail to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived, (iii) any filing shall be made pursuant to Section 412 of the Code or Section 303 of ERISA of an application for a waiver of the minimum funding standard with respect to any Single Employer Plan, (iv) there shall exist any failure to make by its due date a required installment under Section 430(j) of the Code with respect to a Single Employer Plan or any required contribution to a Multiemployer Plan; (v) there shall be a determination that any Single Employer Plan is in "at risk" status (within the meaning of Section 430 of the Code or Title IV of ERISA), (vi) any Lien in favor of the PBGC or a Plan shall arise on the assets of any Loan Party, (vii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (viii) any Single

Employer Plan shall terminate for purposes of Title IV of ERISA, (ix) a Loan Party or any Commonly Controlled Entity shall, or in the reasonable opinion of the Required Lenders be likely to, incur any liability in connection with a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan or determination that any Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA), (x) there shall exist a failure to make or accrue any employer or employee contribution required by law or normal accounting practices to a Foreign Benefit Arrangement or Foreign Plan, (xi) the accrued benefit obligations of any Foreign Plan (based on those assumptions used to fund such Foreign Plan) with respect to all current and former participants shall exceed the assets of such Foreign Plan, (xii) any Foreign Plan required to be registered shall not be in good standing with applicable regulatory authorities or any Foreign Plan or Foreign Benefit Arrangement shall not be in compliance with any material provision of applicable law or applicable regulations, or (xiii) any other event or condition shall occur or exist with respect to a Plan, Foreign Plan, or Foreign Benefit Arrangement; and in each case in clauses (i) through (xiii) above, such event or condition, together with all other such events or conditions, if any, could, in the reasonable judgment of the Required Lenders, reasonably be expected to have a Material Adverse Effect; or

(h) One or more judgments or decrees required to be satisfied as an administrative expense claim shall be entered after the Petition Date against any Debtor involving in the aggregate liabilities for all Debtors (not paid or fully covered by insurance as to which the relevant insurance company has not disputed coverage) in excess of $500,000, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within thirty days from the entry thereof; or

(i) [Reserved]

(j) (i) Any Person or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) other than the Primary Investors (A) shall have acquired beneficial ownership of a greater percentage of SuperHoldings' voting common stock than is then held by the Primary Investors or (B) shall obtain the power (whether or not exercised) to elect a majority of the Borrower's, Holdings' or SuperHoldings' directors (for purposes of this clause (i), and clause (ii)(B) below, any shares of voting stock that are required to be voted for a nominee of any Primary Investor shall be deemed to be held by such Primary Investor for purposes of determining the voting power held by any Person); or (ii) (A) the board of directors of the Borrower, Holdings or SuperHoldings shall not consist of a majority of Continuing Directors; as used in this paragraph "Continuing Directors" shall mean the directors the Borrower, Holdings or SuperHoldings, as the case may be, on the Closing Date and each other director, if such other director's nomination for election to the board of directors of the Borrower, Holdings or SuperHoldings is recommended by a majority of the then Continuing Directors or (B) the Primary Investors shall cease to be able to elect a majority of the board of directors of (x) SuperHoldings, (y) through SuperHoldings, Holdings, or (z) through Holdings, the Borrower; or (iii) the Primary Investors shall cease to own legally and beneficially at least 51% of each outstanding class of Capital Stock having ordinary voting power in the election of directors of SuperHoldings; or (iv) prior

to the merger contemplated by Section 7.4(c), SuperHoldings shall cease to own legally and beneficially 90% of each class of Capital Stock of Holdings, free of Liens (other than Liens created by the Security Documents); or (v) Holdings shall cease to own legally and beneficially 100% of each class of Capital Stock of the Borrower, free of Liens (other than Liens created by the Security Documents); or (vi) a "change of control" as defined in any Indenture shall occur; or

(k) (i) An order of the Bankruptcy Court shall be entered granting another Superpriority Claim (other than the Carve Out) or Lien pari passu with or senior to that granted (x) to the Lenders and the Administrative Agent pursuant to this Agreement and the Interim Order (or the Final Order, as applicable), or (y) to the Prepetition Secured Parties pursuant to the Interim Order (or the Final Order, as applicable), (ii) an order of the Bankruptcy Court shall be entered reversing, rescinding, staying, vacating or otherwise amending, supplementing or modifying the Interim Order (or the Final Order, as applicable) without the written consent of the Administrative Agent, acting in its sole discretion; (iii) an order of the Bankruptcy Court shall be entered under Section 1106(b) of the Bankruptcy Code in any of the Cases appointing a Chapter 11 trustee with plenary powers, a responsible officer or an examiner having enlarged powers relating to the operation of the business of the Loan Parties (i.e., powers beyond those set forth under Sections 1106(a)(3) and (4) of the Bankruptcy Code); (iv) the Final Order Entry Date shall not have occurred by the date that is thirty-five days following the date of entry of the Interim Order (or such later date as the Administrative Agent, acting in its sole discretion, may agree); or (v) a plan shall be confirmed in any of the Cases of the Debtors that does not provide for termination of the Commitments and payment in full in cash of the Obligations on the Effective Date of such plan of reorganization or any order shall be entered which dismisses any of the Cases of the Debtors or converts any of the Cases to a case under Chapter 7 of the Bankruptcy Code and which order does not provide for termination of the Commitments and payment in full in cash of the Obligations or any of the Debtors shall seek support, or fail to contest in good faith the filing or confirmation of such a plan or the entry of such an order; or

(l) Any Debtor shall make any payments relating to pre-Petition Date obligations other than (i) as permitted under the Interim Order (or the Final Order, as applicable), (ii) in respect of and in accordance with, and to the extent authorized by, a "first day" order reasonably satisfactory to the Administrative Agent and (iii) as otherwise expressly permitted under this Agreement; or

(m) The entry of an order granting relief from the automatic stay, to the extent not stayed, so as to allow a third party to proceed against any property of any Debtor which has a value in excess of $1,000,000 in the aggregate or to permit other actions that could reasonably be expected to have a Material Adverse Effect; or

(n) Any Debtor shall fail to comply with the Interim Order or the Final Order; or

(o) The filing of any pleading by any Loan Party seeking, or otherwise consenting to, any of the matters set forth in paragraphs (k), (l), (m) or (n) above in this Section 8.1; or

(p) Any proceeding shall be commenced by any Loan Party seeking, or otherwise consenting to (i) the invalidation, subordination or other challenging of the Superpriority Claims and Liens granted to secure the Obligations or (ii) any relief under Section 506(c) of the Bankruptcy Code with respect to any Collateral; or

(q) The Orders or any of the Collateral Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Liens or Superpriority Claims created by the Orders or any Collateral Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby other than by reason of the release thereof in accordance with the terms thereof; or

(r) The Guarantees shall cease, for any reason, to be in full force and effect or any Loan Party or any of their Affiliates shall so assert in writing;

then, the Administrative Agent may, and, at the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower (with a copy to the Prepetition Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee), take one or more of the following actions, at the same or different times (provided that with respect to clause (iii) below and the enforcement of Liens or other remedies with respect to the Collateral under clause (iv) below, the Administrative Agent shall provide the Borrower (with a copy to the Prepetition Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee) with seven Business Days' written notice prior to taking the action contemplated thereby; provided, further, that upon receipt of the notice referred to in the immediately preceding clause, the Borrower may continue to make ordinary course and Carve Out disbursements from the account referred to in clause (iii) below but may not withdraw or disburse any other amounts from such account) (in any hearing after the giving of the aforementioned notice, the only issue that may be raised by any party in opposition of any such action shall be whether, in fact, an Event of Default has occurred and is continuing): (i) terminate forthwith the Commitments; (ii) declare the Loans (including, without limitation, all amounts of L/C Obligations, whether or not the beneficiaries of the then outstanding Letters of Credit shall have presented the documents required thereunder) then outstanding to be forthwith due and payable, whereupon the principal of the Loans, together with accrued interest thereon and any unpaid accrued fees and all other Obligations of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding; (iii) subject to the Interim Order (or Final Order, as applicable), set-off amounts held as cash collateral or in the accounts of the Loan Parties and apply such amounts to the Obligations of the Loan Parties hereunder and under the other Loan Documents in accordance with Section 11.3; and (iv) exercise any and all remedies under this Agreement, the other Loan Documents the Interim Order (or Final Order, as applicable), and applicable law available to the Administrative Agent and the Lenders. With respect to all Letters of Credit with respect to which

presentment for honor shall not have occurred at the time of exercise of remedies pursuant to this paragraph, the Borrower shall at such time deposit in a cash collateral account opened by the Administrative Agent an amount equal to the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts held in such cash collateral account shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations. After all such Letters of Credit shall have expired or been fully drawn upon, all Reimbursement Obligations shall have been satisfied and all other Obligations shall have been paid in full, the balance, if any, in such cash collateral account shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto).

8.2 Application of Proceeds. After the exercise of remedies provided for in Section 8.1, any amounts received on account of the Obligations shall be applied by the Administrative Agent and the Lenders in the following order:

First, to payment of that portion of the Obligations (excluding the Banking Services Obligations and Swap Obligations) constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Section 2) payable to the Administrative Agent, in its capacity as such;

Second, to payment of that portion of the Obligations (excluding the Banking Services Obligations and Swap Obligations) constituting indemnities, expenses, and other amounts (other than principal, interest and fees) payable to the Revolving Lenders and the Issuing Lender, ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations consisting of accrued and unpaid interest on the Protective Advances;

Fourth, to pay that portion of the Obligations consisting of unpaid principal of the Protective Advances;

Fifth, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Revolving Credit Loans, LC Exposure and such other Obligations owed to the Revolving Lenders, and fees (including Letter of Credit fees), ratably among the Revolving Lenders and the Issuing Lender in proportion to the respective amounts described in this clause Fifth payable to them;

Sixth, to payment of that portion of the Obligations constituting unpaid principal of the Revolving Credit Loans and unreimbursed L/C Disbursements, ratably among the Revolving Lenders and the Issuing Lender in proportion to the respective amounts described in this clause Sixth held by them;

Seventh, to the Administrative Agent for the account of the Issuing Lender, to cash collateralize that portion of LC Exposure comprised of the aggregate undrawn amount of Letters of Credit;

Eighth, to payment of all other Obligations (including without limitation the cash collateralization of unliquidated indemnification obligations, but excluding Banking Services Obligations), ratably among the Credit Parties (other than the Term Lenders, their Affiliates and any Related Credit Party) of the foregoing in proportion to the respective amounts described in this clause Eighth held by them;

Ninth, to payment of that portion of the Obligations arising from Banking Services Obligations and Swap Obligations, ratably among the Credit Parties in proportion to the respective amounts described in this clause Ninth held by them;

Tenth, ratably to pay any fees, indemnities, expenses and other amounts then due to the Term Lenders, their Affiliates and the Related Credit Parties of the foregoing until paid in full;

Eleventh, ratably to pay accrued and unpaid interest in respect of the Term Loans until paid in full;

Twelfth, ratably to pay principal due in respect of Term Loans until paid in full;

Thirteenth, to payment of all other Obligations (including without limitation the cash collateralization of unliquidated indemnification obligations) to the Term Lenders, their Affiliates and the Related Credit Parties of the foregoing; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Loan Parties or as otherwise required by Applicable Law.

Subject to Section 3, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Seventh above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as cash collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Section 9. THE AGENTS

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall have no duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Loan Parties), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Administrative Agent has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a

"notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Arranger, the Administrative Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Arranger or the Administrative Agent hereinafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by the Arranger or Administrative Agent to any Lender. Each Lender represents to the Arranger and the Administrative Agent that it has, independently and without reliance upon the Arranger or the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Arranger, the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party which may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

9.7 Indemnification. The Lenders agree to indemnify the Arranger and the Administrative Agent in their respective capacities as such (to the extent not reimbursed by Holdings or the Borrower and without limiting the obligation of Holdings or the Borrower to do so), ratably according to their respective Applicable Percentage in effect on the date on which indemnification is sought under this Section 9.7 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Applicable Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Loans) be imposed on, incurred by or asserted against the Arranger or the Administrative Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents

contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing, including all amounts owed by the Borrower under Section 10.5 which are not paid by the Borrower; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements which are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Arranger's (in the case of the Arranger) or Administrative Agent's (in the case of the Administrative Agent) gross negligence or willful misconduct. The agreements in this Section 9.7 shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Administrative Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though the Administrative Agent was not the Administrative Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent upon 10 days' notice to the Lenders and the Borrower. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, which successor agent (unless a Default or Event of Default shall have occurred and be continuing) shall be subject to approval by the Borrower (which approval shall not be unreasonably withheld or delayed), whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 10 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10 Authorization to Release Liens. The Administrative Agent is hereby irrevocably authorized by each of the Lenders to release any Lien covering any Property of the Borrower or any of its Subsidiaries that is the subject of a Disposition which is permitted by this Agreement or which has been consented to in accordance with Section 10.1.

9.11 Reports. Each Lender hereby agrees that (a) it has requested a copy of each Report prepared by or on behalf of the Administrative Agent; (b) the Administrative Agent (i) makes no representation or warranty, express or implied, as to the completeness or accuracy of any Report or any of the information contained therein or any inaccuracy or omission contained in or relating to a Report and (ii) shall not be liable for any information contained in any Report; (c) the Reports are not comprehensive audits or examinations, and that any Person performing any field examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel and that the Administrative Agent undertakes no obligation to update, correct or supplement the Reports; (d) it will keep all Reports confidential and strictly for its internal use, not share the Report with any Person except as otherwise permitted pursuant to this Agreement; and (e) without limiting the generality of any other indemnification provision contained in this Agreement, it will pay and protect, and indemnify, defend, and hold the Administrative Agent and any such other Person preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including reasonable attorney fees) incurred by as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

9.12 Arranger. The Arranger shall have no duties or responsibilities hereunder in its capacity as such.

Section 10. MISCELLANEOUS

10.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or (with the written consent of the Required Lenders) the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders, or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest, fee or letter of credit commission payable hereunder or extend the scheduled date of any payment thereof, extend the duration of any Interest Period beyond six months, or increase the amount or extend the expiration date of any Lender's Commitment, in each case without the consent of each Lender directly affected thereby; (ii) amend, modify or waive any provision of this Section 10.1 or reduce any percentage specified in the definition of Required Lenders or Supermajority Revolving Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, amend or modify the Superpriority Claim status of the Lenders or release or subordinate all or substantially all of the Liens or Collateral granted to the Secured Parties under any Loan Document or under the Orders, or release Holdings or, while SuperHoldings remains in existence, SuperHoldings or all or

substantially all of the Subsidiary Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders; (iii) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (iv) amend, modify or waive any provision of Section 3 or other rights of the Issuing Lender (including its rights to Cash Collateral) without the written consent of the Issuing Lender; (v) amend or modify the definition of "Borrowing Base", "Eligible Accounts Receivable" or "Eligible Inventory" or otherwise make changes affecting Borrowing Base eligibility criteria that have the effect of increasing Revolving Credit Availability or that affect or alter priority of payments set forth in Section 8.2 or that amend Section 2.8(b), in each case without the consent of the Supermajority Revolving Lenders, or (vi) amend, modify or waive any provision of Sections 2.15(a), (b) or (c) without the written consent of each Lender adversely affected thereby. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

If, in connection with any proposed amendment, waiver or consent requiring the consent of "each Lender" or "each Lender affected thereby," the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a "Non-Consenting Lender"), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption (or pursuant to other arrangements specified by the Administrative Agent, which may include a deemed assignment) and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of Section 10.6(b), and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement (1) all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Non-Consenting Lender under Sections 2.16 and 2.18, and (2) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 2.18 had the Loans of such Non-Consenting Lender been prepaid on such date rather than sold to the replacement Lender.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received by a responsible officer of the addressee, addressed as follows in the case of SuperHoldings, Holdings, the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

SuperHoldings and Holdings:	NBC Acquisition Corp. 4700 South 19th Street Lincoln, Nebraska 68501 Attention: Chief Financial Officer Facsimile: 402-421-0507
The Borrower:	Nebraska Book Company, Inc. 4700 South 19th Street Lincoln, Nebraska 68501 Attention: Chief Financial Officer Facsimile: 402-421-0507
With a copy to:	Kirkland & Ellis LLP 601 Lexington Avenue New York, New York 10022 Attention: Leonard Klingbaum, Esq. Facsimile: 212-446-6460
The Administrative Agent:	JPMorgan Chase Bank, N.A. Bank Loans and Agency Services 1111 Fannin Street, 10th Floor Houston, TX 77002 Attention: Syed X Abbas Facsimile: 713-286-3245
with a copy to:	JPMorgan Chase Bank, N.A. 270 Park Avenue New York, New York 10017 Attention: [Eric H Pratt] Facsimile: 212-270-6842

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or

privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

10.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

10.5 Payment of Expenses. The Borrower agrees (a) to pay or reimburse the Administrative Agent, for all its reasonable documented out-of-pocket costs and expenses incurred in connection with the preparation and execution of, and any amendment, supplement or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, without limitation, the reasonable fees, disbursements and other charges of counsel to the Administrative Agent (with such counsel to include no more than one local counsel in each applicable jurisdiction so long as such counsel are engaged with the Borrower's prior written consent) and of other professional advisors to the Administrative Agent, (b) to pay or reimburse each Lender and the Administrative Agent for all their reasonable out-of-pocket costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents and any such other documents, including, without limitation, the reasonable fees, disbursements and other charges of one lead counsel (including all such costs and expenses incurred during any negotiations, workouts, restructurings or legal proceedings) and of one local counsel in each relevant jurisdiction and the fees and disbursements of any financial advisor or third party consultants or appraisers to and of the Administrative Agent (and the allocated fees and expenses of in-house counsel), (c) to pay or reimburse the Administrative Agent for all reasonable documented out-of-pocket costs and expenses incurred in connection with this Agreement and the other Loan Documents, the Orders or the Cases (including, without limitation, the on-going monitoring of the Cases, including attendance at hearings or other proceedings and the on-going review of documents filed with the Bankruptcy Court, and all fees, disbursements and charges of counsel for the Administrative Agent and other professional advisors to the Administrative Agent), (d) to pay, indemnify, and hold each Lender, the Arranger and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other Taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents, and (e) to pay, indemnify, and hold each Lender and the Administrative Agent and their respective affiliates and their respective officers, directors, employees, agents and controlling persons (each, an "indemnitee") harmless from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including, without limitation, any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of Holdings, the Borrower any of their respective Subsidiaries or any of the Properties and the reasonable fees, disbursements and

other charges of one lead counsel and of one local counsel in each relevant jurisdiction (and the allocated fees and expenses of in-house counsel) to each Lender and of counsel to the Administrative Agent (all the foregoing in this clause (e), collectively, the "indemnified liabilities"), provided, that the Borrower shall have no obligation hereunder to any indemnitee with respect to indemnified liabilities (i) to the extent such indemnified liabilities are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such indemnitee or (ii) arising from a lawsuit or administrative proceeding against such indemnitee if the Borrower was not given notice of such lawsuit or administrative proceeding and an opportunity to participate in the defense thereof at its own expense, and provided further, that this Section 10.5(e) shall not apply with respect to Taxes other than Taxes that represent losses or damages arising from any non-Tax claim. Without limiting the foregoing, and to the extent permitted by applicable law, Holdings and the Borrower agree not to assert and to cause their Subsidiaries not to assert, and hereby waive and agree to cause their Subsidiaries to so waive, all rights for contribution or any other rights of recovery with respect to all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, under or related to Environmental Laws, that any of them might have by statute or otherwise against any indemnitee. The agreements in this Section shall survive repayment of the Loans and all other amounts payable hereunder.

Expenses being reimbursed by the Borrower under this Section include, without limiting the generality of the foregoing, costs and expenses incurred in connection with:

(i) appraisals and insurance reviews;

(ii) field examinations and the preparation of Reports based on the fees charged by a third party retained by the Administrative Agent or the internally allocated fees for each Person employed by the Administrative Agent with respect to each field examination, together with the reasonable fees and expenses associated with collateral monitoring services performed by the Specialized Due Diligence Group of the Administrative Agent (and the Borrower agrees to modify or adjust the computation of the Borrowing Base -- which may include maintaining additional Reserves, modifying the advance rates or modifying the eligibility criteria for the components of the Borrowing Base -- to the extent required by the Administrative Agent as a result of any such evaluation, appraisal or monitoring);

(iii) background checks regarding senior management and/or key investors, as deemed necessary or appropriate in the reasonable discretion of the Administrative Agent;

(iv) taxes, fees and other charges for (A) lien and title searches and title insurance and (B) recording the Mortgages, filing financing statements and continuations, and other actions to perfect, protect, and continue the Administrative Agent's Liens;

(v) sums paid or incurred to take any action required of any Loan Party under the Loan Documents that such Loan Party fails to pay or take; and

(vi) forwarding loan proceeds, collecting checks and other items of payment, and establishing and maintaining the accounts and lock boxes, and costs and expenses of preserving and protecting the Collateral.

All of the foregoing costs and expenses may be charged to the Borrower as Revolving Credit Loans or to another deposit account, all as described in Section 8.2.

10.6 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of the Issuing Lender that issues any Letter of Credit), except that (i) neither the Borrower nor Holdings may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (other than the Borrower, an Affiliate of the Borrower or a natural person) (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably delayed or withheld) of:

(A) the Borrower, provided that no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund (as defined below) or, if an Event of Default has occurred and is continuing, any other Person; and

(B) the Administrative Agent and, in the case of the Revolving Facility, the Issuing Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitments or Loans, the amount of the Revolving Credit Commitments or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than $5,000,000 in the case of the Revolving Facility and $1,000,000 in the case of the Term Facility, unless each of the Borrower and the Administrative Agent otherwise consent, provided that such amounts shall be aggregated in respect of each prospective Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500 (treating multiple or simultaneous assignments by or to two or more Approved Funds or two or more funds that are engaged in making, purchasing,

holding or investing in bank loans and similar extensions of credit in the ordinary course of business that are managed by the same investment advisor or Affiliated advisors as a single assignment); and

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire.

For the purposes of this Section 10.6, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender; provided that, for purposes of proviso (2) of clause (b)(ii)(A) above, in connection with an assignment to a prospective Lender not previously a Lender, the term "Lender" as it is used in clauses (a), (b) and (c) of this paragraph shall mean such prospective Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.16, 2.17, 2.18 and 10.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.6 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Lender and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lender and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No

assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) Any assignment need not be ratable between the Facilities.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (but in no case to the Borrower, an Affiliate of the Borrower or a natural person) (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly affected thereby pursuant to the proviso to the second sentence of Section 10.1 and (2) directly affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of (and the limitations of) Sections 2.16, 2.17 and 2.18 (subject to the requirements and limitations therein, including the requirements under Section 2.17(f) (it being understood that the documentation required under Section 2.17(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Sections 2.16 and 2.17 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 2.16 or 2.17, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from an adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof that occurs after the Participant acquired the applicable participation. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7(b) as though it were a Lender, provided such Participant shall be subject to Section 10.7(a) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant

Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

(f) Notwithstanding the foregoing, any Conduit Lender may assign any or all of the Loans it may have funded hereunder to its designating Lender without the consent of the Borrower or the Administrative Agent and without regard to the limitations set forth in Section 10.6(b). Each of Holdings, the Borrower, each Lender and the Administrative Agent hereby confirms that it will not institute against a Conduit Lender or join any other Person in instituting against a Conduit Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under any state bankruptcy or similar law, for one year and one day after the payment in full of the latest maturing commercial paper note issued by such Conduit Lender; provided, however, that each Lender designating any Conduit Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such Conduit Lender during such period of forbearance.

10.7 Adjustments; Set-off. (a) Except to the extent that this Agreement or any Court Order provides for payments to be allocated to the Lenders or a particular Lender or the Administrative Agent, if any Lender (a "Benefitted Lender") shall at any time receive any payment of all or part of its Loans or the Reimbursement Obligations owing to it, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans or the Reimbursement Obligations owing to such other Lender, or interest thereon, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loan and/or of the Reimbursement Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, subject to the Carve Out and the Orders and, after the giving of the notice described in

Section 8.1 notwithstanding the provisions of Section 362 of the Bankruptcy Code, each Lender shall have the right, without prior notice to SuperHoldings, Holdings or the Borrower, any such notice being expressly waived by SuperHoldings, Holdings and the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by SuperHoldings, Holdings or the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, any Affiliate thereof or any branch or agency thereof to or for the credit or the account of SuperHoldings, Holdings or the Borrower. Each Lender agrees promptly to notify SuperHoldings, Holdings, the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by telecopy or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

10.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.10 Integration. This Agreement and the other Loan Documents represent the agreement of SuperHoldings, Holdings, the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

10.11 GOVERNING LAW. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.**

10.12 Submission To Jurisdiction; Waivers. Each of SuperHoldings, Holdings and the Borrower, the Administrative Agent and each Lender hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive general jurisdiction of the Bankruptcy Court and, if the Bankruptcy Court does not have (or abstains

from) jurisdiction, to the exclusive general jurisdiction of any State or Federal court of competent jurisdiction sitting in New York County, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to SuperHoldings, Holdings or the Borrower, as the case may be at its address set forth in Section 10.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 10.12 any special, exemplary, punitive or consequential damages.

10.13 Acknowledgements. Each of SuperHoldings, Holdings and the Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender nor the Arranger has any fiduciary relationship with or duty to SuperHoldings, Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent, Lenders and the Arranger, on one hand, and SuperHoldings, Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among SuperHoldings, Holdings, the Borrower and the Lenders.

10.14 WAIVERS OF JURY TRIAL. **SUPERHOLDINGS, HOLDINGS, THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

10.15 Confidentiality. The Administrative Agent and each Lender agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein

shall prevent the Administrative Agent or any Lender from disclosing any such information (a) to the Administrative Agent, the Arranger, any other Lender or any affiliate of any Lender, (b) to any Participant or Assignee (each, a "Transferee") or prospective Transferee which agrees to comply with the provisions of this Section, (c) to the employees, directors, agents, attorneys, accountants and other professional advisors of such Lender or its Affiliates, (d) upon the request or demand of any Governmental Authority having jurisdiction over the Administrative Agent or such Lender, (e) in response to any order of any court or other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (f) if requested or required to do so in connection with any litigation or similar proceeding, (g) which has been publicly disclosed other than in breach of this Section 10.15, (h) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (i) in connection with the exercise of any remedy hereunder or under any other Loan Document or (j) to any direct or indirect contractual counterparty in swap agreements or such contractual counterparty's professional advisor (so long as such contractual counterparty or professional advisor to such contractual counterparty agrees to be bound by the provisions of this Section). Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 10.15 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS AFFILIATES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

10.16 USA PATRIOT Act. Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act") hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain,

verify and record information that identifies the Borrower, which information includes the names and addresses of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

10.17 Appointment for Perfection. Each Lender hereby appoints each other Lender as its agent for the purpose of perfecting Liens, for the benefit of the Administrative Agent and the Lenders, in assets which, in accordance with Article 9 of the UCC or any other applicable law can be perfected only by possession. Should any Lender (other than the Administrative Agent) obtain possession of any such Collateral, such Lender shall notify the Administrative Agent thereof, and, promptly upon the Administrative Agent's request therefor shall deliver such Collateral to the Administrative Agent or otherwise deal with such Collateral in accordance with the Administrative Agent's instructions.

10.18 Reserved.

10.19 Release of Liens. The Lenders hereby irrevocably authorize the Administrative Agent, at its option and in its sole discretion, to release any Liens granted to the Administrative Agent by the Loan Parties on any Collateral (i) upon the termination of the all Commitments, payment and satisfaction in full in cash of all Obligations (other than the Contingent Obligations), and the cash collateralization of any outstanding Letters of Credit in a manner satisfactory to the Issuing Lender, (ii) constituting property being sold or disposed of if the Loan Party disposing of such property certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), and to the extent that the property being sold or disposed of constitutes 100% of the Capital Stock of a Subsidiary, the Administrative Agent is authorized to release such Loan Party from its obligations under the Security Documents, (iii) constituting property leased to a Loan Party under a lease which has expired or been terminated in a transaction permitted under this Agreement, or (iv) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Section 8. In addition, the Administrative Agent may in its discretion, release its Liens on Collateral valued in the aggregate not in excess of $10,000,000 during any calendar year without the prior written authorization of the Required Lenders. Any such release shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released) upon (or obligations of the Loan Parties in respect of) all interests retained by the Loan Parties, including the proceeds of any sale, all of which shall continue to constitute part of the Collateral. At the request and sole expense of each Loan Party following any such release, the Administrative Agent shall deliver to such Loan Party any Collateral held by the Administrative Agent, and execute and deliver to such Loan Party such documents as such Loan Party shall reasonably request to evidence such release.

10.20 Disclosure. Each Loan Party and each Lender hereby acknowledges and agrees that the Administrative Agent and/or its Affiliates from time to time may hold investments in, make other loans to or have other relationships with any of the Loan Parties and their respective Affiliates.

Section 11. REMEDIES; APPLICATION OF PROCEEDS

11.1 Remedies; Obtaining the Collateral Upon Default. Upon the occurrence and during the continuance of an Event of Default and with not fewer than three Business Days prior written notice by the Administrative Agent (or such longer time as may be required pursuant to the Orders), to the extent any such action is not inconsistent with the Interim Order (including paragraph 9 thereof) (or the Final Order, as applicable) or Section 8, the Administrative Agent, in addition to any rights now or hereafter existing under applicable law, and without application to or order of the Bankruptcy Court, shall have all rights as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(a) personally, or by agents or attorneys, immediately retake possession of the Collateral or any part thereof, from the Borrower, any Guarantor, or any other Person who then has possession of any part thereof with or without notice or process of law (but subject to any Requirements of Law), and for that purpose may enter upon the Borrower's or any Guarantor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Borrower or such Guarantor;

(b) instruct the obligor or obligors on any agreements, instrument or other obligation constituting the Collateral to make any payment required by the terms of such instrument or agreement directly to any cash collateral account;

(c) sell, assign or otherwise liquidate, or direct any Loan Party to sell, assign or otherwise liquidate, any or all of the Collateral or any part thereof in accordance with Section 11.2, and take possession of the proceeds of any such sale, assignment or liquidation; and

(d) take possession of the Collateral or any part thereof, by directing the Borrower and any Guarantor in writing to deliver the same to the Administrative Agent at any place or places reasonably designated by the Administrative Agent, in which event the Borrower and such Guarantor shall at its own expense:

(i) forthwith cause the same to be moved to the place or places so designated by the Administrative Agent and there delivered to the Administrative Agent,

(ii) store and keep any Collateral so delivered to the Administrative Agent at such place or places pending further action by the Administrative Agent as provided in Section 11.2, and

(iii) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

it being understood that the Borrower's and each Guarantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to the Bankruptcy Court, the Administrative Agent shall be entitled to a decree requiring specific performance by the Borrower or such Guarantor of such obligation.

11.2 Remedies; Disposition of the Collateral. Upon the occurrence and during the continuance of an Event of Default (and following not fewer than seven Business Days prior written notice by the Administrative Agent (or such longer time as may be required pursuant to the Orders)), and to the extent not inconsistent with the Interim Order (or the Final Order, as applicable), without application to or order of the Bankruptcy Court, any Collateral repossessed by the Administrative Agent under or pursuant to Section 11.1 or the Interim Order (or the Final Order, as applicable) or otherwise, and any other Collateral whether or not so repossessed by the Administrative Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on commercially reasonable terms, in compliance with any Requirements of Law. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Administrative Agent or after any overhaul or repair which the Administrative Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceeding permitted by applicable Requirements of Law shall be made upon not less than ten days' written notice to the Borrower specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the ten days after the giving of such notice, to the right of the Borrower or any nominee of the Borrower to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by applicable Requirements of Law shall be made upon not less than ten days' written notice to the Borrower specifying the time and place of such sale and, in the absence of applicable Requirement of Law, shall be by public auction (which may, at the Administrative Agent's option, be subject to reserve), after publication of notice of such auction not less than ten days prior thereto in USA Today and The Wall Street Journal, National Edition. Subject to Section 11.4, to the extent permitted by any such Requirement of Law, the Administrative Agent on behalf of the Lenders or any Lender may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section 11.2 without accountability to the Borrower, any Guarantor or the Prepetition Secured Parties (except to the extent of surplus money received). If, under mandatory Requirements of Law, the Administrative Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to the Borrower as hereinabove specified, the Administrative Agent need give the Borrower only such notice of disposition as shall be reasonably practicable.

11.3 Application of Proceeds.

(a) Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, (i) if the Administrative Agent takes action under Section 8 upon the occurrence and during the continuance of an Event of Default, or at any time on or after the Termination Date, any payment by any Debtor on account of principal of, interest on and fees with respect to the Loans or Reimbursement Obligations, or any guarantee obligations with respect thereto, and any proceeds arising out of any realization (including after foreclosure) upon the Collateral shall be applied in accordance with Section 8.2, and (ii) any payments or distributions of any kind or character, whether in cash, property or securities, made by any Debtor or otherwise in a manner inconsistent with clause (i) of this Section 11.3(a) shall be held

in trust and paid over or delivered to the Administrative Agent so that the priorities and requirements set forth in such clause (i) are satisfied.

(b) It is understood that the Debtors shall remain liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the amount of the Obligations.

11.4 **WAIVER OF CLAIMS. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE LOAN PARTIES HEREBY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW:**

(a) NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE ADMINISTRATIVE AGENT'S TAKING POSSESSION OR THE ADMINISTRATIVE AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH THE US BORROWER, OR ANY GUARANTOR WOULD OTHERWISE HAVE UNDER ANY REQUIREMENT OF LAW;

(b) ALL DAMAGES OCCASIONED BY SUCH TAKING OF POSSESSION EXCEPT ANY DAMAGES WHICH ARE THE DIRECT RESULT OF THE ADMINISTRATIVE AGENT'S OR ANY LENDER'S BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT;

(c) ALL OTHER REQUIREMENTS WITH RESPECT TO THE TIME, PLACE AND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF THE ADMINISTRATIVE AGENT'S RIGHTS HEREUNDER; AND

(d) ALL RIGHTS OF REDEMPTION, APPRAISEMENT, STAY, EXTENSION OR MORATORIUM NOW OR HEREAFTER IN FORCE UNDER ANY APPLICABLE LAW IN ORDER TO PREVENT OR DELAY THE ENFORCEMENT OF THIS AGREEMENT OR THE ABSOLUTE SALE OF THE COLLATERAL OR ANY PORTION THEREOF, AND EACH LOAN PARTY, FOR ITSELF AND ALL WHO MAY CLAIM UNDER IT, INSOFAR AS IT OR THEY NOW OR HEREAFTER LAWFULLY MAY, HEREBY WAIVES THE BENEFIT OF ALL SUCH LAWS.

11.5 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Administrative Agent and the Lenders shall be in addition to every other right, power and remedy specifically given under this Agreement, the Orders or the other Loan Documents or now or hereafter existing at law or in equity, or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Administrative Agent or any Lender. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of exercise of one shall not be deemed a waiver of the right to exercise of any other or others. No delay or omission of the Administrative Agent or any Lender in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be

construed to be a waiver of any Default or Event of Default or an acquiescence therein. In the event that the Administrative Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Administrative Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

11.6 Discontinuance of Proceeding. In case the Administrative Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Administrative Agent, then and in every such case the Borrower, the Administrative Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the Liens granted under this Agreement and the Orders, and all rights, remedies and powers of the Administrative Agent and the Lenders shall continue as if no such proceeding had been instituted.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

NBC HOLDINGS CORP.

By: _____
Name:
Title:

NBC ACQUISITION CORP.

By: _____
Name:
Title:

NEBRASKA BOOK COMPANY, INC.

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A.
as Administrative Agent and a Lender

By: _____
Name:
Title:

SCHEDULE 1.1A
COMMITMENTS

Lender	Term Loan Commitment	Revolving Credit Commitment
JPMorgan Chase Bank, N.A.	$125,000,000	$75,000,000
TOTAL COMMITMENTS	$125,000,000	$75,000,000

Exhibit E

Intercreditor Agreement

INTERCREDITOR AGREEMENT

Intercreditor Agreement (this "**Agreement**"), dated as of October 2, 2009, among JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "**First Priority Representative**") for the First Priority Secured Parties (as defined below), WILMINGTON TRUST FSB, as Collateral Agent and Trustee (in such capacity, with its successors and assigns, and as more specifically defined below, the "**Second Priority Representative**") for the Second Priority Secured Parties (as defined below), NEBRASKA BOOK COMPANY, INC. (the "**Borrower**") and each of the other Loan Parties (as defined below) party hereto.

WHEREAS, the Borrower, the First Priority Representative and certain financial institutions and other entities are parties to the Amended and Restated Credit Agreement, dated as of February 13, 1998, as amended and restated as of December 10, 2003, as further amended and restated as of March 4, 2004, and as further amended and restated as of October 2, 2009, among NBC Holdings Corp., NBC Acquisition Corp., the Borrower, the lenders named therein, JPMorgan Chase Bank, N.A., as administrative agent and the other agents named therein (the "**Existing First Priority Agreement**"), pursuant to which such financial institutions and other entities have agreed to make loans and extend other financial accommodations to the Borrower; and

WHEREAS, the Borrower, the Second Priority Representative and certain Subsidiaries of the Borrower are parties to the Indenture dated as of the date hereof (the "**Existing Second Priority Agreement**"), pursuant to which the Borrower has issued senior secured second lien notes (the "**Senior Second Lien Notes**"); and

WHEREAS, the Borrower and the other Loan Parties have granted to the First Priority Representative security interests in the Common Collateral as security for payment and performance of the First Priority Obligations; and

WHEREAS, the Borrower and certain Subsidiaries of the Borrower propose to grant to the Second Priority Representative junior security interests in the Common Collateral as security for payment and performance of the Second Priority Obligations;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which are expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions.*

1.1. Defined Terms. The following terms, as used herein, have the following meanings:

"**Additional First Priority Agreement**" means any agreement permitted to be designated as such by the First Priority Agreement and the Second Priority Agreement.

"**Additional First Priority Debt**" has the meaning set forth in Section 9.3(b).

"**Additional Second Priority Agreement**" means any agreement permitted to be designated as such by the First Priority Agreement and the Second Priority Agreement.

"**Additional Second Priority Debt**" has the meaning set forth in Section 9.3(b).

"**Agreement**" has the meaning set forth in the introductory paragraph hereof.

"**Banking Services Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Secured Party (or any of its affiliates) in respect of any agreement with respect to the following banking services: (a) commercial credit cards, (b) stored value cards, (c) purchasing cards and cardless e-payables services and (d) treasury, depositary or cash management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts, and interstate depository network services) or any similar transactions.

"**Bankruptcy Code**" means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

"**Borrower**" has the meaning set forth in the introductory paragraph hereof.

"**Cash Collateral**" has the meaning set forth in Section 3.7.

"**Common Collateral**" means all assets that are both First Priority Collateral and Second Priority Collateral.

"**Comparable Second Priority Security Document**" means, in relation to any Common Collateral subject to any First Priority Security Document, that Second Priority Security Document that creates a security interest in the same Common Collateral, granted by the same Loan Party, as applicable.

"**DIP Financing**" has the meaning set forth in Section 5.2.

"**Enforcement Action**" means, with respect to the First Priority Obligations or the Second Priority Obligations, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies with respect to the Common Collateral under, as applicable, the First Priority Documents or the Second Priority Documents, or applicable law, including without limitation the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code of any applicable jurisdiction or under the Bankruptcy Code.

"**Enforcement Notice**" has the meaning set forth in Section 3.7.

"**Existing First Priority Agreement**" has the meaning set forth in the first WHEREAS clause of this Agreement.

"**Existing Second Priority Agreement**" has the meaning set forth in the second WHEREAS clause of this Agreement.

"**First Priority Agreement**" means the collective reference to (a) the Existing First Priority Agreement, (b) any Additional First Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, increase, renew, refund, replace (whether upon or after termination or otherwise) or refinance (including by means of sales of debt securities to institutional investors) in whole or in part from time to time the indebtedness and other obligations outstanding under the Existing First Priority Agreement, any Additional First Priority Agreement or any other agreement or instrument referred to in this clause (c)

unless such agreement or instrument expressly provides that it is not intended to be and is not a First Priority Agreement hereunder (a **"Replacement First Priority Agreement"**). Any reference to the First Priority Agreement hereunder shall be deemed a reference to any First Priority Agreement then extant.

"First Priority Collateral" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any First Priority Secured Party as security for any First Priority Obligation.

"First Priority Creditors" means each "Secured Party" as defined in the First Priority Agreement, or any Persons that are designated under the First Priority Agreement as the "First Priority Creditors" for purposes of this Agreement.

"First Priority Documents" means the First Priority Agreement, each First Priority Security Document and each First Priority Guarantee.

"First Priority Guarantee" means any guarantee by any Loan Party of any or all of the First Priority Obligations.

"First Priority Lien" means any Lien created by the First Priority Security Documents.

"First Priority Obligations" means (a) with respect to the Existing First Priority Agreement, all "Obligations" of each Loan Party as defined in the Existing First Priority Agreement and (b) with respect to each other First Priority Agreement, (i) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made or other indebtedness issued or incurred pursuant to the First Priority Agreement, (ii) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the First Priority Agreement, (iii) all Hedging Obligations, (iv) all Banking Services Obligations and (v) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the First Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any First Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Second Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"First Priority Obligations Payment Date" means the first date on which (a) all of the First Priority Liens have been released in accordance with the terms of the First Priority Documents and (b) the First Priority Representative has delivered a written notice to the Second Priority Representative stating that the event described in clause (a) has occurred to the satisfaction of the First Priority Secured Parties, which notice shall be delivered by the First Priority Representative promptly after the occurrence of the event described in clause (a).

"First Priority Representative" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement First Priority Agreement, the First Priority Representative shall be the Person identified as such in such Agreement.

"**First Priority Secured Parties**" means the First Priority Representative, the First Priority Creditors and any other holders of the First Priority Obligations.

"**First Priority Security Documents**" means the "Security Documents" as defined in the First Priority Agreement, and any other documents that are designated under the First Priority Agreement as "First Priority Security Documents" for purposes of this Agreement.

"**Hedging Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Creditor (or any of its affiliates) in respect of any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that obligations in respect of any phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or its subsidiaries shall not be considered Hedging Obligations.

"**Insolvency Proceeding**" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"**Loan Party**" means the Borrower and each direct or indirect subsidiary, affiliate or shareholder (or equivalent) of the Borrower or any of its affiliates that is now or hereafter becomes a party to any First Priority Document or Second Priority Document. All references in this Agreement to any Loan Party shall include such Loan Party as a debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding; provided that NBC Holdings Corp. and NBC Acquisition Corp. shall not be Loan Parties for purposes of this Agreement unless and until such respective parties become party to any Second Priority Document.

"**Notes Post-Petition Assets**" has the meaning in Section 5.2.

"**Person**" means any person, individual, sole proprietorship, partnership, joint venture, corporation, limited liability company, unincorporated organization, association, institution, entity, party, including any government and any political subdivision, agency or instrumentality thereof.

"**Post-Petition Interest**" means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding, whether or not allowed or allowable in any such Insolvency Proceeding.

"**Purchase**" has the meaning set forth in Section 3.7.

"**Purchase Notice**" has the meaning set forth in Section 3.7.

"**Purchase Price**" has the meaning set forth in Section 3.7.

"**Purchasing Parties**" has the meaning set forth in Section 3.7.

"**Real Property**" means any right, title or interest in and to real property, including any fee interest, leasehold interest, easement, or license and any other right to use or occupy real property, including any right arising by contract.

"**Replacement First Priority Agreement**" has the meaning set forth in the definition of "First Priority Agreement."

"**Second Lien Notes**" has the meaning set forth in the second "WHEREAS" clause of this Agreement.

"**Second Priority Agreement**" means the collective reference to (a) the Existing Second Priority Agreement, (b) any Additional Second Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture, or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, increase, renew, refund, replace (whether upon or after termination or otherwise) or refinance (including by means of sales of debt securities to institutional investors) in whole or in part from time to time the indebtedness and other obligations outstanding under the Existing Second Priority Agreement, any Additional Second Priority Agreement or any other agreement or instrument referred to in this clause (c). Any reference to the Second Priority Agreement hereunder shall be deemed a reference to any Second Priority Agreement then extant.

"**Second Priority Collateral**" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any Second Priority Secured Party as security for any Second Priority Obligation.

"**Second Priority Creditors**" means the "Holders" as defined in the Second Priority Agreement and any holder of a Second Lien Note, the Second Priority Representatives or any Persons that are designated under the Second Priority Agreement as the "Second Priority Creditors" for purposes of this Agreement.

"**Second Priority Documents**" means each Second Priority Agreement, each Second Priority Security Document and each Second Priority Guarantee.

"**Second Priority Guarantee**" means any guarantee by any Loan Party of any or all of the Second Priority Obligations.

"**Second Priority Lien**" means any Lien created by the Second Priority Security Documents.

"**Second Priority Obligations**" means (a) with respect to the Existing Second Priority Agreement, all "Secured Obligations" of each Loan Party as defined in the "Security Agreement" referred to in the Second Priority Agreement and (b) with respect to each other Second Priority Agreement, (i) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all indebtedness under the Second Priority Agreement, and (ii) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the Second Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Second Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a

preference in any respect, set aside or required to be paid to a debtor in possession, any First Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"**Second Priority Representative**" has the meaning set forth in the introductory paragraph hereof, but shall also include any Person identified as a "Second Priority Representative" in any Second Priority Agreement other than the Existing Second Priority Agreement.

"**Second Priority Secured Parties**" means the Second Priority Representative, the Second Priority Creditors and any other holders of the Second Priority Obligations.

"**Second Priority Security Documents**" means the "Collateral Documents" as defined in the Second Priority Agreement and any documents that are designated under the Second Priority Agreement as "Second Priority Security Documents" for purposes of this Agreement.

"**Secured Parties**" means the First Priority Secured Parties and the Second Priority Secured Parties.

"**Standstill Period**" has the meaning set forth in Section 3.2.

"**Surviving Obligations**" has the meaning set forth in Section 3.7.

"**Uniform Commercial Code**" shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors or permitted assigns, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Sections shall be construed to refer to Sections of this Agreement and (v) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. *Lien Priorities.*

2.1 Subordination of Liens. (a) Any and all Liens on the Common Collateral now existing or hereafter created or arising in favor of any Second Priority Secured Party securing the Second Priority Obligations, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all Liens on the Common Collateral now existing or hereafter created or arising in favor of the First Priority Secured Parties

securing the First Priority Obligations, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any Second Priority Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any First Priority Document or Second Priority Document or any other circumstance whatsoever and (iii) the fact that any such Liens in favor of any First Priority Secured Party securing any of the First Priority Obligations are (x) subordinated to any Lien securing any obligation of any Loan Party other than the Second Priority Obligations or (y) otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) No First Priority Secured Party or Second Priority Secured Party shall object to or contest, or support any other Person in contesting or objecting to, in any proceeding (including without limitation, any Insolvency Proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Common Collateral granted to the other. Notwithstanding any failure by any First Priority Secured Party or Second Priority Secured Party to perfect its security interests in the Common Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Common Collateral granted to the First Priority Secured Parties or the Second Priority Secured parties, the priority and rights as between the First Priority Secured Parties and the Second Priority Secured Parties with respect to the Common Collateral shall be as set forth herein.

2.2 Nature of First Priority Obligations. The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties acknowledges that the First Priority Obligations represent debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the First Priority Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the First Priority Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Second Priority Secured Parties and without affecting the provisions hereof, but only so long as, except in the case of any DIP Financing, any such obligations are permitted to be incurred pursuant to the Second Priority Documents as in effect on the date of this Agreement. The lien priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the First Priority Obligations or the Second Priority Obligations, or any portion thereof.

2.3 Agreements Regarding Actions to Perfect Liens. (a) The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties agrees that UCC-1 financing statements, patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of the Second Priority Representative with respect to the Common Collateral shall be in form satisfactory to the First Priority Representative.

(b) The Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that all mortgages, deeds of trust, deeds and similar instruments (collectively, "**mortgages**") now or hereafter filed against Real Property that constitutes Common Collateral in favor of or for the benefit of the Second Priority Representative and the other Second Priority Secured Parties shall be in form satisfactory to the First Priority Representative and shall contain the following notation: "The lien created by this mortgage on the property described herein is junior and subordinate to the lien on such property created by any mortgage, deed of trust or similar instrument now or hereafter granted to the First Priority Representative, and its successors and assigns, in such property, in accordance with the

provisions of the Intercreditor Agreement dated as of October 2, 2009 among JPMorgan Chase Bank, N.A., as Administrative Agent, Wilmington Trust FSB, as Collateral Agent, Nebraska Book Company, Inc., as the Borrower, and the other Loan Parties referred to therein, as amended from time to time."

(c) The First Priority Representative hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Common Collateral pursuant to the First Priority Security Documents, such possession or control is also for the benefit of and on behalf of, and the First Priority Representative or such third party holds such possession or control as bailee and agent for, the Second Priority Representative and the other Second Priority Secured Parties solely to the extent required to perfect their security interest in such Common Collateral (such bailment and agency for perfection being intended, among other things, to satisfy the requirements of Sections 8-301(a)(2) and 9-313(c) of the Uniform Commercial Code). Nothing in the preceding sentence shall be construed to impose any duty on the First Priority Representative (or any third party acting on its behalf) with respect to such Common Collateral or provide the Second Priority Representative or any other Second Priority Secured Party with any rights with respect to such Common Collateral beyond those specified in this Agreement and the Second Priority Security Documents, provided that subsequent to the occurrence of the First Priority Obligations Payment Date, the First Priority Representative shall (i) deliver to the Second Priority Representative, at the Borrower's sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Second Priority Documents (and to the extent not so required, such delivery shall be made to the Borrower) or (ii) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs, and provided, further, that the provisions of this Agreement are intended solely to govern the respective Lien priorities as between the First Priority Secured Parties and the Second Priority Secured Parties and shall not impose on the First Priority Secured Parties any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

2.4 No New Liens. So long as the First Priority Obligations Payment Date has not occurred, the parties hereto agree that (a) there shall be no Lien, and no Loan Party shall have any right to create any Lien, on any assets of any Loan Party securing any Second Priority Obligation if these same assets are not subject to, and do not become subject to, a Lien securing the First Priority Obligations and (b) if any Second Priority Secured Party shall acquire or hold any Lien on any assets of any Loan Party securing any Second Priority Obligation which assets are not also subject to the first-priority Lien of the First Priority Representative under the First Priority Documents, then the Second Priority Representative, upon demand by the First Priority Representative, will without the need for any further consent of any other Second Priority Secured Party, notwithstanding anything to the contrary in any other Second Priority Document either (i) release such Lien or (ii) assign it to the First Priority Representative as security for the First Priority Obligations (in which case the Second Priority Representative may retain a junior lien on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the First Priority Secured Parties, the Second Priority Representative and the other Second Priority Secured Parties agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.4 shall be subject to Section 4.1.

SECTION 3. *Enforcement Rights.*

3.1 Exclusive Enforcement. Until the First Priority Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the First

Priority Secured Parties shall have the exclusive right to take and continue any Enforcement Action with respect to the Common Collateral, without any consultation with or consent of any Second Priority Secured Party, but subject to the provisos set forth in Sections 3.2 and 5.1. Upon the occurrence and during the continuance of a default or an event of default under the First Priority Documents, the First Priority Representative and the other First Priority Secured Parties may take and continue any Enforcement Action with respect to the First Priority Obligations and the Common Collateral in such order and manner as they may determine in their sole discretion.

3.2 Standstill and Waivers. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that, until the First Priority Obligations Payment Date has occurred, subject to the proviso set forth in Section 5.1:

(a) they will not take or cause to be taken any Enforcement Action with respect to the Common Collateral;

(b) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien in respect of any Second Priority Obligation pari passu with or senior to, or to give any Second Priority Secured Party any preference or priority relative to, the Liens with respect to the First Priority Obligations or the First Priority Secured Parties with respect to any of the Common Collateral;

(c) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the Common Collateral by any First Priority Secured Party or any other Enforcement Action taken with respect to the Common Collateral (or any forbearance from taking any Enforcement Action with respect to the Common Collateral) by or on behalf of any First Priority Secured Party;

(d) they have no right to (i) direct either the First Priority Representative or any other First Priority Secured Party to exercise any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or (ii) consent or object to the exercise by the First Priority Representative or any other First Priority Secured Party of any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (d), whether as a junior lien creditor or otherwise, they hereby irrevocably waive such right);

(e) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any First Priority Secured Party seeking damages from or other relief by way of specific performance, injunction or otherwise, with respect to, and no First Priority Secured Party shall be liable for, any action taken or omitted to be taken by any First Priority Secured Party with respect to the Common Collateral or pursuant to the First Priority Documents; and

(f) they will not seek, and hereby waive any right, to have the Common Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Common Collateral.

provided that, notwithstanding the foregoing, any Second Priority Secured Party may exercise its rights and remedies in respect of the Common Collateral under the Second Priority Security Documents or applicable law after the passage of a period of 180 days (the "**Standstill Period**") from the date of delivery of a notice in writing to the First Priority Representative of its intention to exercise such rights and remedies, which notice may only be delivered following the occurrence of and during the continuation of an "Event of Default" under and as defined in the Second Priority Agreement; provided, further, however, that, notwithstanding the foregoing, in no event shall any Second Priority Secured Party exercise or continue to exercise any such rights or remedies if, notwithstanding the expiration of the Standstill Period, (i) any First Priority Secured Party shall have commenced and be diligently pursuing the exercise of any of its rights and remedies with respect to any of the Common Collateral (prompt notice of such exercise to be given to the Second Priority Representative) or (ii) an Insolvency Proceeding in respect of any Loan Party shall have been commenced; and provided, further, that in any Insolvency Proceeding commenced by or against any Loan Party, the Second Priority Representative and the Second Priority Secured Parties may take any action expressly permitted by Section 5.

3.3 Judgment Creditors. In the event that any Second Priority Secured Party becomes a judgment lien creditor as a result of its enforcement of its rights as an unsecured creditor, any such judgment lien on the Common Collateral shall be subject to the terms of this Agreement for all purposes (including in relation to the First Priority Liens and the First Priority Obligations) to the same extent as other Liens on the Common Collateral securing the Second Priority Obligations are subject to the terms of this Agreement.

3.4 Cooperation. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that each of them shall take such actions as the First Priority Representative shall reasonably request in connection with the exercise by the First Priority Secured Parties of their rights set forth herein.

3.5 No Additional Rights For the Loan Parties Hereunder. Except as provided in Section 3.6, if any First Priority Secured Party or Second Priority Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Loan Party shall be entitled to use such violation as a defense to any action by any First Priority Secured Party or Second Priority Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any First Priority Secured Party or Second Priority Secured Party.

3.6 Actions Upon Breach. (a) If any Second Priority Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Loan Party or the Common Collateral, such Loan Party, with the prior written consent of the First Priority Secured Representative, may interpose as a defense or dilatory plea the making of this Agreement, and any First Priority Secured Party may intervene and interpose such defense or plea in its or their name or in the name of such Loan Party.

(b) Should any Second Priority Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, any First Priority Secured Party (in its own name or in the name of the relevant Loan Party) or the relevant Loan Party may obtain relief against such Second Priority Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Second Priority Representative on behalf of each Second Priority Secured Party that (i) the First Priority Secured Parties' damages from its actions may at that time be

difficult to ascertain and may be irreparable, and (ii) each Second Priority Secured Party waives any defense that the Loan Parties and/or the First Priority Secured Parties cannot demonstrate damage and/or be made whole by the awarding of damages.

3.7 Option to Purchase. (a) The First Priority Representative agrees that it will give the Second Priority Representative written notice (the "**Enforcement Notice**") within five business days after commencing any Enforcement Action with respect to Common Collateral (which notice shall be effective for all Enforcement Actions taken after the date of such notice so long as the First Priority Representative is diligently pursuing in good faith the exercise of its default or enforcement rights or remedies against, or diligently attempting in good faith to vacate any stay of enforcement rights of its senior Liens on a material portion of the Common Collateral, including, without limitation, all Enforcement Actions identified in such notice). Any Second Priority Secured Party shall have the option upon receipt of the Enforcement Notice by the Second Priority Representative, by irrevocable written notice (the "**Purchase Notice**") delivered by the Second Priority Representative to the First Priority Representative no later than five business days after receipt by the Second Priority Representative of the Enforcement Notice, to purchase all (but not less than all) of the First Priority Obligations from the First Priority Secured Parties. If the Second Priority Representative so delivers the Purchase Notice, the First Priority Representative shall terminate any existing Enforcement Actions and shall not take any further Enforcement Actions, provided, that the Purchase (as defined below) shall have been consummated on the date specified in the Purchase Notice in accordance with this Section 3.7.

(b) On the date specified by the Second Priority Representative in the Purchase Notice (which shall be a business day not less than five business days, nor more than ten business days, after receipt by the First Priority Representative of the Purchase Notice), the First Priority Secured Parties shall, subject to any required approval of any court or other governmental authority then in effect, sell to the Second Priority Secured Parties electing to purchase pursuant to Section 3.7(a) (the "**Purchasing Parties**"), and the Purchasing Parties shall purchase (the "**Purchase**") from the First Priority Secured Parties, the First Priority Obligations; provided, that the First Priority Obligations purchased shall not include any rights of First Priority Secured Parties with respect to indemnification and other obligations of the Loan Parties under the First Priority Documents that are expressly stated to survive the termination of the First Priority Documents (the "**Surviving Obligations**").

(c) Without limiting the obligations of the Loan Parties under the First Priority Documents to the First Priority Secured Parties with respect to the Surviving Obligations (which shall not be transferred in connection with the Purchase), on the date of the Purchase, the Purchasing Parties shall (i) pay to the First Priority Secured Parties as the purchase price (the "**Purchase Price**") therefor the full amount of all First Priority Obligations then outstanding and unpaid (including principal, interest, fees, breakage costs, attorneys' fees and expenses, and, in the case of any Hedging Obligations, the amount that would be payable by the relevant Loan Party thereunder if it were to terminate such Hedging Obligations on the date of the Purchase or, if not terminated, an amount determined by the relevant First Priority Secured Party to be necessary to collateralize its credit risk arising out of such Hedging Obligations), (ii) furnish cash collateral (the "**Cash Collateral**") to the First Priority Secured Parties in such amounts as the relevant First Priority Secured Parties determine is reasonably necessary to secure such First Priority Secured Parties in connection with any outstanding letters of credit (not to exceed 105% of the aggregate undrawn face amount of such letters of credit), (iii) agree to reimburse the First Priority Secured Parties for any loss, cost, damage or expense (including attorneys' fees and expenses) in connection with any fees, costs or expenses related to any checks or other payments provisionally credited to the First Priority Obligations and/or as to which the First Priority Secured Parties have not yet received final payment and (iv) agree, after written request from the First Priority Representative, to reimburse the First Priority

Secured Parties in respect of indemnification obligations of the Loan Parties under the First Priority Documents as to matters or circumstances known to the Purchasing Parties at the time of the Purchase which could reasonably be expected to result in any loss, cost, damage or expense to any of the First Priority Secured Parties, provided that, in no event shall any Purchasing Party have any liability for such amounts in excess of proceeds of Common Collateral received by the Purchasing Parties.

(d) The Purchase Price and Cash Collateral shall be remitted by wire transfer in immediately available funds to such account of the First Priority Representative as it shall designate to the Purchasing Parties. The First Priority Representative shall, promptly following its receipt thereof, distribute the amounts received by it in respect of the Purchase Price to the First Priority Secured Parties in accordance with the First Priority Agreement. Interest shall be calculated to but excluding the day on which the Purchase occurs if the amounts so paid by the Purchasing Parties to the account designated by the First Priority Representative are received in such account prior to 12:00 noon, New York City time, and interest shall be calculated to and including such day if the amounts so paid by the Purchasing Parties to the account designated by the First Priority Representative are received in such account later than 12:00 noon, New York City time.

(e) The Purchase shall be made without representation or warranty of any kind by the First Priority Secured Parties as to the First Priority Obligations, the Common Collateral or otherwise and without recourse to the First Priority Secured Parties, except that the First Priority Secured Parties shall represent and warrant: (i) the amount of the First Priority Obligations being purchased, (ii) that the First Priority Secured Parties own the First Priority Obligations free and clear of any liens or encumbrances and (iii) that the First Priority Secured Parties have the right to assign the First Priority Obligations and the assignment is duly authorized.

(f) For the avoidance of doubt, the parties hereto hereby acknowledge and agree that in no event shall the Second Priority Representative (i) be deemed to be a Purchasing Party for purposes of this Section 3.7, (ii) be subject to or liable for any obligations of a Purchasing Party pursuant to this Section 3.7 or (iii) incur any liability to any First Priority Secured Party or any other Person in connection with any Purchase pursuant to this Section 3.7.

SECTION 4. *Application of Proceeds of Common Collateral; Dispositions and Releases of Common Collateral; Inspection and Insurance.*

4.1 Application of Proceeds; Turnover Provisions. All proceeds of Common Collateral (including without limitation any interest earned thereon) resulting from the sale, collection or other disposition of Common Collateral in connection with an Enforcement Action, whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the First Priority Representative for application to the First Priority Obligations in accordance with the terms of the First Priority Documents, until the First Priority Obligations Payment Date has occurred and thereafter, to the Second Priority Representative for application in accordance with the Second Priority Documents. Until the occurrence of the First Priority Obligations Payment Date, any Common Collateral, including without limitation any such Common Collateral constituting proceeds, that may be received by any Second Priority Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the First Priority Representative, for the benefit of the First Priority Secured Parties, in the same form as received, with any necessary endorsements, and each Second Priority Secured Party hereby authorizes the First Priority Representative to make any such endorsements as agent for the Second Priority Representative (which authorization, being coupled with an interest, is irrevocable).

4.2 Releases of Second Priority Lien. (a) Upon any release, sale or disposition of Common Collateral permitted pursuant to the terms of the First Priority Documents that results in the release of the First Priority Lien on any Common Collateral (excluding (i) any sale or other disposition that is expressly prohibited by the Second Priority Agreement as in effect on the date hereof unless such sale or disposition is consummated in connection with an Enforcement Action or consummated after the institution of any Insolvency Proceeding and (ii) the release of all First Priority Liens in connection with the payment in full of all First Priority Obligations), the Second Priority Lien on such Common Collateral (excluding any portion of the proceeds of such Common Collateral remaining after the First Priority Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person.

(b) The Second Priority Representative shall promptly execute and deliver such release documents and instruments (which shall be prepared by the First Priority Representative) at the expense of the Borrower and shall take such further actions as the First Priority Representative shall request to evidence any release of the Second Priority Lien described in paragraph (a). The Second Priority Representative hereby appoints the First Priority Representative and any officer or duly authorized person of the First Priority Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Second Priority Representative and in the name of the Second Priority Representative or in the First Priority Representative's own name, from time to time, in the First Priority Representative's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

4.3 Inspection Rights and Insurance. (a) Any First Priority Secured Party and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the Common Collateral, and the First Priority Representative may advertise and conduct public auctions or private sales of the Common Collateral, in each case without notice to, the involvement of or interference by any Second Priority Secured Party or liability to any Second Priority Secured Party.

(b) Proceeds of Common Collateral include insurance proceeds in respect of such Common Collateral and therefore the lien priorities provided in Section 2.1 shall govern the ultimate disposition of casualty insurance proceeds. The First Priority Representative and Second Priority Representative shall be named as additional insureds and loss payees with respect to all insurance policies relating to Common Collateral. Until the First Priority Obligations Payment Date has occurred, the First Priority Representative shall have the sole and exclusive right, as against the Second Priority Representative, to adjust or settle any insurance claims in the event of any covered loss, theft or destruction of Common Collateral. All proceeds of such insurance shall be remitted to the First Priority Representative or the Second Priority Representative, as the case may be, and each of the Second Priority Representative and First Priority Representative shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1.

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions. Until the First Priority Obligations Payment Date has occurred, the Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that no Second Priority Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case that (a) violates, or is prohibited by, this Section 5 (or, in the absence of an Insolvency Proceeding, otherwise would violate or be prohibited by this Agreement), (b) asserts any right, benefit or privilege that arises in favor of the Second Priority Secured Parties, in whole or in part, as a result of their interest in the Common Collateral (unless the assertion of such right is expressly permitted by this Agreement) or (c) challenges the validity, priority, enforceability or voidability of any Liens or claims held by the First Priority Representative or any other First Priority Secured Party with respect to the Common Collateral, or the extent to which the First Priority Obligations constitute secured claims or the value thereof under Section 506(a) of the Bankruptcy Code or otherwise; provided that the Second Priority Representative may (i) file a proof of claim in an Insolvency Proceeding and (ii) file any necessary responsive or defensive pleadings in opposition to any motion or other pleadings made by any Person objecting to or otherwise seeking the disallowance of any claims of the Second Priority Secured Parties on the Common Collateral, subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the Second Priority Representative imposed hereby.

5.2 Financing Matters. If any Loan Party becomes subject to any Insolvency Proceeding at any time prior to the First Priority Obligations Payment Date, and if the First Priority Representative or the other First Priority Secured Parties desire to consent (or not object) to the use of cash collateral under the Bankruptcy Code or to provide financing to any Loan Party under the Bankruptcy Code or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "**DIP Financing**"), then the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that each Second Priority Secured Party (a) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such DIP Financing, (b) will not request or accept adequate protection or any other relief in connection with the use of such cash collateral or such DIP Financing except as set forth in Section 5.4 below, (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens on any Common Collateral (i) to such DIP Financing on the same terms as the First Priority Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection provided to the First Priority Secured Parties and (iii) to any "carve-out" agreed to by the First Priority Representative or the other First Priority Secured Parties, and (d) agrees that notice received two calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice so long as (A) the Second Priority

Representative retains its Lien on the Common Collateral to secure the Second Priority Obligations (in each case, including proceeds thereof arising after the commencement of the case under the Bankruptcy Code) and (B) all Liens on Common Collateral securing any such DIP Financing shall be senior to or on a parity with the Liens of the First Priority Representative and the First Priority Creditors on Common Collateral securing the First Priority Obligations.

5.3 Relief From the Automatic Stay. Until the First Priority Obligations Payment Date has occurred, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that none of them will seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Common Collateral, without the prior written consent of the First Priority Representative.

5.4 Adequate Protection. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that, prior to the First Priority Obligations Payment Date, none of them shall object, contest, or support any other Person objecting to or contesting, (a) any request by the First Priority Representative or the other First Priority Secured Parties for adequate protection of its interest in the Common Collateral or any adequate protection provided to the First Priority Representative or the other First Priority Secured Parties, (b) any objection by the First Priority Representative or any other First Priority Secured Parties to any motion, relief, action or proceeding based on a claim of a lack of adequate protection in the Common Collateral or (c) the payment of interest, fees, expenses or other amounts to the First Priority Representative or any other First Priority Secured Party under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, further agrees that, prior to the First Priority Obligations Payment Date, none of them shall assert or enforce any claim under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise that is senior to or on a parity with the First Priority Liens for costs or expenses of preserving or disposing of any Common Collateral. Notwithstanding anything to the contrary set forth in this Section and in Section 5.2(a)(ii), but subject to all other provisions of this Agreement (including, without limitation, Section 5.2(a)(i) and Section 5.3), in any Insolvency Proceeding, (i) if the First Priority Secured Parties (or any subset thereof) are granted adequate protection consisting of additional collateral that constitutes Common Collateral (with replacement liens on such additional collateral) and superpriority claims in connection with any DIP Financing or use of cash collateral with respect to the Common Collateral, and the First Priority Secured Parties do not object to the adequate protection being provided to them, then in connection with any such DIP Financing or use of cash collateral the Second Priority Representative, on behalf of itself and any of the Second Priority Secured Parties, may, as adequate protection of their interests in the Common Collateral, seek or accept (and the First Priority Representative and the First Priority Secured Parties shall not object to) adequate protection consisting solely of (x) a replacement Lien on the same additional collateral, subordinated to the Liens securing the First Priority Obligations and such DIP Financing on the same basis as the other Second Priority Liens on the Common Collateral are so subordinated to the First Priority Obligations under this Agreement and (y) superpriority claims junior in all respects to the superpriority claims granted to the First Priority Secured Parties, provided, however, that the Second Priority Representative shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code, on behalf of itself and the Second Priority Secured Parties, in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims and (ii) in the event the Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, seeks or accepts adequate protection in accordance with clause (i) above and such adequate protection is granted in the form of additional collateral, then the Second Priority Representative, on behalf of itself or any of the Second

Priority Secured Parties, agrees that the First Priority Representative shall also be granted a senior Lien on such additional collateral as security for the First Priority Obligations and any such DIP Financing and that any Lien on such additional collateral securing the Second Priority Obligations shall be subordinated to the Liens on such collateral securing the First Priority Obligations and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the First Priority Secured Parties as adequate protection, with such subordination to be on the same terms that the other Liens securing the Second Priority Obligations are subordinated to such First Priority Obligations under this Agreement. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that except as expressly set forth in this Section none of them shall seek or accept adequate protection with respect to their interests in the Common Collateral without the prior written consent of the First Priority Representative.

5.5 Avoidance Issues. If any First Priority Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "**Recovery**"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the First Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the First Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Priority Secured Parties agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

5.6 Asset Dispositions in an Insolvency Proceeding. In an Insolvency Proceeding or otherwise, neither the Second Priority Representative nor any other Second Priority Secured Party shall oppose any sale or disposition of any Common Collateral that is supported by the First Priority Secured Parties, and the Second Priority Representative and each other Second Priority Secured Party will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale supported by the First Priority Secured Parties and to have released their Liens on such assets.

5.7 Separate Grants of Security and Separate Classification. Each Secured Party acknowledges and agrees that (a) the grants of Liens pursuant to the First Priority Security Documents and the Second Priority Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Common Collateral, the First Priority Obligations and the Second Priority Obligations are fundamentally different from each other and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the First Priority Secured Parties and Second Priority Secured Parties in respect of the Common Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Second Priority Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Loan Parties in respect of the Common Collateral, with the effect being that, to the extent that the aggregate value of the Common Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Secured Parties), the First Priority Secured Parties shall be entitled to receive, in addition

to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest before any distribution is made in respect of the claims held by the Second Secured Priority Secured Parties. The Second Priority Secured Parties hereby acknowledge and agree to turn over to the First Priority Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of the preceding sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Secured Parties.

5.8 No Waivers of Rights of First Priority Secured Parties. Nothing contained herein shall prohibit or in any way limit the First Priority Representative or any other First Priority Secured Party from objecting in any Insolvency Proceeding or otherwise to any action taken by any Second Priority Secured Party not expressly permitted hereunder, including the seeking by any Second Priority Secured Party of adequate protection with respect to its interests in the Common Collateral (except as provided in Section 5.4).

5.9 Other Matters. To the extent that the Second Priority Representative or any Second Priority Secured Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code with respect to any of the Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties not to assert any of such rights without the prior written consent of the First Priority Representative unless expressly permitted to do so hereunder.

5.10 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency Proceeding.

SECTION 6. *Security Documents.*

(a) Each Loan Party and the Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the Second Priority Documents in violation of this Agreement.

(b) Each Loan Party and the First Priority Representative, on behalf of itself and the First Priority Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the First Priority Documents in violation of this Agreement.

(c) In the event the First Priority Representative enters into any amendment, waiver or consent in respect of any of the First Priority Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Priority Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Common Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Second Priority Security Document without the consent of or action by any Second Priority Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that (other than with respect to amendments, modifications or waivers that secure additional extensions of credit and add additional secured creditors and do not violate the express provisions of the Second Priority Agreements), (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Second Priority Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that adversely affects the rights of the Second Priority Secured Parties and does not affect the First Priority Secured Parties in a like or similar manner shall not apply to the Second Priority Security Documents without the consent of the Second Priority Representative, (iii) no such amendment,

waiver or consent with respect to any provision applicable to the collateral agent under the Second Priority Documents shall be made without the prior written consent of such collateral agent and (iv) notice of such amendment, waiver or consent shall be given to the Second Priority Representative no later than 30 days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

(d) The First Priority Obligations and the Second Priority Obligations may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under any First Priority Agreement or any Second Priority Agreement) of any First Priority Secured Party or any Second Priority Secured Party, all without affecting the Lien priorities provided for herein or the other provisions hereof; provided, however, that the holders of any such refinancing or replacement Indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of this Agreement pursuant to such documents or agreements (including amendments or supplements to this Agreement) as the First Priority Representative or the Second Priority Representative, as the case may be, shall reasonably request and in form and substance reasonably acceptable to the First Priority Representative or the Second Priority Representative, as the case may be; provided that such documents or agreements shall comply with Section 6(a) and Section 6(b).

(e) If at any time in connection with or after the discharge of all First Priority Obligations, the Borrower enters into any replacement First Priority Agreement secured by all or a portion of the First Priority Collateral on a first-priority basis, then such prior discharge of First Priority Obligations shall automatically be deemed not to have occurred for the purposes of this Agreement, and the obligations under such replacement First Priority Agreement shall automatically be treated as First Priority Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of the First Priority Collateral (or such portion thereof) set forth therein.

(f) In connection with any refinancing or replacement contemplated by Section 6(d) or 6(e), this Agreement may be amended at the request and sole expense of the Borrower, and without the consent of the First Priority Representative, the First Priority Secured Parties, or the Second Priority Representative or the Second Priority Secured Parties (a) to add parties (or any authorized agent or trustee therefor) providing any such refinancing or replacement indebtedness, (b) to establish that Liens on any First Priority Collateral securing such refinancing or replacement indebtedness shall have the same priority (or junior priority) as the Liens on any First Priority Collateral securing the Indebtedness being refinanced or replaced and (c) to establish that Liens on any Second Priority Collateral securing such refinancing or replacement indebtedness shall have the same priority as the Liens on any Second Priority Collateral securing the indebtedness being refinanced or replaced, all on the terms provided for immediately prior to such refinancing or replacement.

SECTION 7. *Reliance; Waivers; etc.*

7.1 Reliance. All extensions of credit under the First Priority Documents made after the date hereof are deemed to have been made or incurred, in reliance upon this Agreement. The Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the First Priority Secured Parties. The Second Priority Documents are deemed to have been executed and delivered and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The First Priority Representative expressly waives all notices of the acceptance of and reliance by the Second Priority Representative and the Second Priority Secured Parties.

7.2 No Warranties or Liability. The Second Priority Representative and the First Priority Representative acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any other First Priority Document or any Second Priority Document. Except as otherwise provided in this Agreement, the Second Priority Representative and the First Priority Representative will be entitled to manage and supervise their respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

7.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Loan Party with the terms and conditions of any of the First Priority Documents or the Second Priority Documents.

SECTION 8. *Obligations Unconditional.*

8.1 First Priority Obligations Unconditional. All rights and interests of the First Priority Secured Parties hereunder, and all agreements and obligations of the Second Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any First Priority Document;

(c) prior to the First Priority Obligations Payment Date, any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the First Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the First Priority Obligations, or of any of the Second Priority Representative, or any Loan Party, to the extent applicable, in respect of this Agreement (other than the occurrence of the First Priority Obligations Payment Date).

8.2 Second Priority Obligations Unconditional. All rights and interests of the Second Priority Secured Parties hereunder, and all agreements and obligations of the First Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Second Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Second Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Second Priority Document;

(c) any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the Second Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the Second Priority Obligations or any First Priority Secured Party in respect of this Agreement.

SECTION 9. *Miscellaneous.*

9.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any First Priority Document or any Second Priority Document, the provisions of this Agreement shall govern. Notwithstanding the foregoing, the parties hereto acknowledge that the terms of this Agreement are not intended to and shall not, as between the Loan Parties and the Secured Parties, negate, impair, waive or cancel any rights granted to, or carry liability or obligation of, any Loan Party in the First Priority Documents and the Second Priority Documents or impose any additional obligations on the Loan Parties (other than as expressly set forth herein).

9.2 Continuing Nature of Provisions. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the First Priority Obligation Payment Date shall have occurred. This is a continuing agreement and the First Priority Secured Parties and the Second Priority Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, Borrower or any other Loan Party on the faith hereof.

9.3 Amendments; Waivers. (a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the First Priority Representative (in accordance with the First Priority Agreement) and the Second Priority Representative (in accordance with the Second Priority Agreement), and, in the case of amendments or modifications of Sections 3.5, 3.6, 5.2, 5.4, 6(c), 6(d), 6(e), 6(f), 9.3, 9.5 or 9.6, the Loan Parties, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Anything herein to the contrary notwithstanding, no consent of any Loan Party shall be required for amendments, modifications or waivers of any other provisions of this Agreement other than those that (i) affect any obligation or right of the Loan Parties hereunder or under the First Priority Documents or the Second Priority Documents or that would impose any additional obligations on the Loan Parties or (ii) change the rights of the Loan Parties to refinance the First Priority Obligations or the Second Priority Obligations.

(b) It is understood that this Agreement may be amended from time to time at the request of the Borrower, at the Borrower's sole expense, and without the consent of the First Priority Representative, Second Priority Representative, any First Priority Secured Party or any Second Priority Secured Party to (i) add other parties holding additional Indebtedness or obligations that constitute First Priority Obligations ("**Additional First Priority Debt**") or Second Priority Obligations ("**Additional Second Priority Debt**") (or any agent or trustee thereof) in each case to the extent such Indebtedness or obligation is permitted to be Incurred by the First Priority Agreement and Second Priority Agreement then extant, (ii) in the case of Additional Second Priority Debt, (1) establish that the Lien on the Common

Collateral securing such Additional Second Priority Debt shall be junior and subordinate in all respects to all Liens on the Common Collateral securing any First Priority Obligations and shall share in the benefits of the Common Collateral equally and ratably with all Liens on the Common Collateral securing any Second Priority Obligations, and (2) provide to the holders of such Additional Second Priority Debt (or any agent or trustee thereof) the comparable rights and benefits (including any improved rights and benefits that have been consented to by the First Priority Representative for the benefit of all Second Priority Debt) as are provided to the holders of Second Priority Obligations under this Agreement, and (iii) in the case of Additional First Priority Debt, (1) establish that the Lien on the Common Collateral securing such Additional First Priority Debt shall be superior in all respects to all Liens on the Common Collateral securing any Second Priority Obligations and shall share in the benefits of the Common Collateral equally and ratably with all Liens on the Common Collateral securing any First Priority Lien Obligations, and (2) provide to the holders of such Additional First Priority Debt (or any agent or trustee thereof) the comparable rights and benefits as are provided to the holders of First Priority Lien Obligations under this Agreement, in each case so long as such modifications do not expressly violate the provisions of any First Priority Agreement or Second Priority Agreement. Any such additional party and each First Priority Representative and Second Priority Representative shall be entitled to rely on the determination of officers of the Borrower that such modifications do not violate any First Priority Agreement or Second Priority Agreement if such determination is set forth in an Officers' Certificate and an opinion of counsel delivered to such party, the First Priority Representative and the Second Priority Representative. Any amendment to this Agreement that is proposed to be effected without the consent of any First Priority Representative shall be submitted to such First Priority Representative reasonably promptly after the effectiveness of such amendment, and no such First Priority Representative shall be deemed to have knowledge of any such amendment until it receives a copy of such amendment. Any amendment to this Agreement that is proposed to be effected without the consent of any Second Priority Representative shall be submitted to such Second Priority Representative reasonably promptly after the effectiveness of such amendment, and no such Second Priority Representative shall be deemed to have knowledge of any such amendment until it receives a copy of such amendment.

9.4 Information Concerning Financial Condition of the Borrower and the other Loan Parties. Neither the Second Priority Representative nor the First Priority Representative hereby assumes responsibility for keeping each other informed of the financial condition of the Borrower and each of the other Loan Parties and all other circumstances bearing upon the risk of nonpayment of the First Priority Obligations or the Second Priority Obligations. The Second Priority Representative and the First Priority Representative hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event the Second Priority Representative or the First Priority Representative, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation (a) to provide or update any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information. Neither the First Priority Representative nor the Second Priority Representative shall have any responsibility to monitor or verify the financial condition of the Borrower or other Loan Parties.

9.5 Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the State of New York are governed by the laws of such jurisdiction.

9.6 Submission to Jurisdiction. (a) Each First Priority Secured Party, each Second Priority Secured Party and each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each such party hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each such party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the any First Priority Secured Party or Second Priority Secured Party may otherwise have to bring any action or proceeding against any Loan Party or its properties in the courts of any jurisdiction.

(b) Each First Priority Secured Party, each Second Priority Secured Party and each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so (i) any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.7. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

9.7 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile. All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or (ii) sent by facsimile shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

9.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the First Priority Secured Parties and Second Priority Secured Parties and their respective successors and permitted assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Common Collateral.

9.9 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.10 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the

remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.11 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by email or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.

9.12 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

9.13 Additional Loan Parties. Each Person that becomes a Loan Party after the date hereof shall become a party to this Agreement upon execution and delivery by such Person of an Assumption Agreement in the form of Annex 1 to the Guarantee and Collateral Agreement referred to in the First Priority Agreement.

9.14 Concerning the Second Priority Representative. Each of the parties hereto acknowledges that Wilmington Trust FSB is entering into this Agreement upon direction of the Second Priority Creditors and solely in its capacity as Collateral Agent and Trustee under the Collateral Documents (as defined in the Existing Second Priority Agreement) and not in its individual capacity and in no event shall Wilmington Trust FSB incur any liability in connection with this Agreement or be personally liable for or on account of the statements, representations, warranties, covenants or obligations stated to be those of the Second Priority Representative or the Second Priority Secured Parties hereunder (including action taken on its behalf pursuant to Section 4.2(b)), all such liability, if any, being expressly waived by the parties hereto and any person claiming by, though or under such party. Each party hereto hereby acknowledges and agrees that all of the rights, privileges, protections, indemnities and immunities afforded Wilmington Trust FSB as Trustee and Collateral Agent under the Existing Second Priority Agreement and the Collateral Documents are hereby incorporated herein as if set forth herein in full. Notwithstanding anything to the contrary herein, the fees, expenses and indemnities owing to Wilmington Trust FSB, as Collateral Agent and Trustee, by any Loan Party, shall not be subordinated to any First Priority Obligation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

JPMORGAN CHASE BANK, N.A., as First Priority Representative for and on behalf of the First Priority Secured Parties

By: _____
Name: Eric H. Pratt
Title: Vice President

Address for Notices:

JPMorgan Chase Bank, N.A.
Bank Loans and Agency Services
1111 Fannin Street, 10th Floor
Houston, TX 77002

Attention: Syed X Abbas
Telecopy No.: 713-286-3245

with a copy to:

JPMorgan Chase Bank
270 Park Avenue
New York, NY 10017

Attention: Eric H Pratt
Telecopy No.: Eric H Pratt

WILMINGTON TRUST FSB, as Second Priority Representative for and on behalf of the Second Priority Secured Parties

By: _____
Name:
Title:

Address for Notices:

Wilmington Trust Company FSB
246 Goose Lane, Suite 105
Guilford, CT 06437

Attention: Corporate Trust Administration
Telecopy No.: 203-453-1183

WILMINGTON TRUST FSB, as Second Priority Representative
for and on behalf of the Second Priority Secured Parties

By: _____
Name: Tim Mowdy
Title: Vice President

Address for Notices:

Wilmington Trust Company FSB
246 Goose Lane, Suite 105
Guilford, CT 06437

Attention: Corporate Trust Administration
Telecopy No.: 203-453-1183

NEBRASKA BOOK COMPANY, INC.
SPECIALTY BOOKS, INC.
NBC TEXTBOOKS LLC
COLLEGE BOOKSTORES OF AMERICA, INC.
NET TEXTSTORE LLC
CAMPUS AUTHENTIC LLC

By: ______________________
Name: Barry S. Major
Title: President

[Signature Page – Intercreditor]

[illegible]

Exhibit E

Intercreditor Agreement

INTERCREDITOR AGREEMENT

Intercreditor Agreement (this "**Agreement**"), dated as of October 2, 2009, among JPMORGAN CHASE BANK, N.A., as Administrative Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "**First Priority Representative**") for the First Priority Secured Parties (as defined below), WILMINGTON TRUST FSB, as Collateral Agent and Trustee (in such capacity, with its successors and assigns, and as more specifically defined below, the "**Second Priority Representative**") for the Second Priority Secured Parties (as defined below), NEBRASKA BOOK COMPANY, INC. (the "**Borrower**") and each of the other Loan Parties (as defined below) party hereto.

WHEREAS, the Borrower, the First Priority Representative and certain financial institutions and other entities are parties to the Amended and Restated Credit Agreement, dated as of February 13, 1998, as amended and restated as of December 10, 2003, as further amended and restated as of March 4, 2004, and as further amended and restated as of October 2, 2009, among NBC Holdings Corp., NBC Acquisition Corp., the Borrower, the lenders named therein, JPMorgan Chase Bank, N.A., as administrative agent and the other agents named therein (the "**Existing First Priority Agreement**"), pursuant to which such financial institutions and other entities have agreed to make loans and extend other financial accommodations to the Borrower; and

WHEREAS, the Borrower, the Second Priority Representative and certain Subsidiaries of the Borrower are parties to the Indenture dated as of the date hereof (the "**Existing Second Priority Agreement**"), pursuant to which the Borrower has issued senior secured second lien notes (the "**Senior Second Lien Notes**"); and

WHEREAS, the Borrower and the other Loan Parties have granted to the First Priority Representative security interests in the Common Collateral as security for payment and performance of the First Priority Obligations; and

WHEREAS, the Borrower and certain Subsidiaries of the Borrower propose to grant to the Second Priority Representative junior security interests in the Common Collateral as security for payment and performance of the Second Priority Obligations;

NOW THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which are expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions.*

1.1. Defined Terms. The following terms, as used herein, have the following meanings:

"**Additional First Priority Agreement**" means any agreement permitted to be designated as such by the First Priority Agreement and the Second Priority Agreement.

"**Additional First Priority Debt**" has the meaning set forth in Section 9.3(b).

"**Additional Second Priority Agreement**" means any agreement permitted to be designated as such by the First Priority Agreement and the Second Priority Agreement.

"**Additional Second Priority Debt**" has the meaning set forth in Section 9.3(b).

"**Agreement**" has the meaning set forth in the introductory paragraph hereof.

"**Banking Services Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Secured Party (or any of its affiliates) in respect of any agreement with respect to the following banking services: (a) commercial credit cards, (b) stored value cards, (c) purchasing cards and cardless e-payables services and (d) treasury, depositary or cash management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts, and interstate depository network services) or any similar transactions.

"**Bankruptcy Code**" means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

"**Borrower**" has the meaning set forth in the introductory paragraph hereof.

"**Cash Collateral**" has the meaning set forth in Section 3.7.

"**Common Collateral**" means all assets that are both First Priority Collateral and Second Priority Collateral.

"**Comparable Second Priority Security Document**" means, in relation to any Common Collateral subject to any First Priority Security Document, that Second Priority Security Document that creates a security interest in the same Common Collateral, granted by the same Loan Party, as applicable.

"**DIP Financing**" has the meaning set forth in Section 5.2.

"**Enforcement Action**" means, with respect to the First Priority Obligations or the Second Priority Obligations, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies with respect to the Common Collateral under, as applicable, the First Priority Documents or the Second Priority Documents, or applicable law, including without limitation the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code of any applicable jurisdiction or under the Bankruptcy Code.

"**Enforcement Notice**" has the meaning set forth in Section 3.7.

"**Existing First Priority Agreement**" has the meaning set forth in the first WHEREAS clause of this Agreement.

"**Existing Second Priority Agreement**" has the meaning set forth in the second WHEREAS clause of this Agreement.

"**First Priority Agreement**" means the collective reference to (a) the Existing First Priority Agreement, (b) any Additional First Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, increase, renew, refund, replace (whether upon or after termination or otherwise) or refinance (including by means of sales of debt securities to institutional investors) in whole or in part from time to time the indebtedness and other obligations outstanding under the Existing First Priority Agreement, any Additional First Priority Agreement or any other agreement or instrument referred to in this clause (c)

unless such agreement or instrument expressly provides that it is not intended to be and is not a First Priority Agreement hereunder (a **"Replacement First Priority Agreement"**). Any reference to the First Priority Agreement hereunder shall be deemed a reference to any First Priority Agreement then extant.

"First Priority Collateral" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any First Priority Secured Party as security for any First Priority Obligation.

"First Priority Creditors" means each "Secured Party" as defined in the First Priority Agreement, or any Persons that are designated under the First Priority Agreement as the "First Priority Creditors" for purposes of this Agreement.

"First Priority Documents" means the First Priority Agreement, each First Priority Security Document and each First Priority Guarantee.

"First Priority Guarantee" means any guarantee by any Loan Party of any or all of the First Priority Obligations.

"First Priority Lien" means any Lien created by the First Priority Security Documents.

"First Priority Obligations" means (a) with respect to the Existing First Priority Agreement, all "Obligations" of each Loan Party as defined in the Existing First Priority Agreement and (b) with respect to each other First Priority Agreement, (i) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made or other indebtedness issued or incurred pursuant to the First Priority Agreement, (ii) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the First Priority Agreement, (iii) all Hedging Obligations, (iv) all Banking Services Obligations and (v) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the First Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any First Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Second Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"First Priority Obligations Payment Date" means the first date on which (a) all of the First Priority Liens have been released in accordance with the terms of the First Priority Documents and (b) the First Priority Representative has delivered a written notice to the Second Priority Representative stating that the event described in clause (a) has occurred to the satisfaction of the First Priority Secured Parties, which notice shall be delivered by the First Priority Representative promptly after the occurrence of the event described in clause (a).

"First Priority Representative" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement First Priority Agreement, the First Priority Representative shall be the Person identified as such in such Agreement.

"**First Priority Secured Parties**" means the First Priority Representative, the First Priority Creditors and any other holders of the First Priority Obligations.

"**First Priority Security Documents**" means the "Security Documents" as defined in the First Priority Agreement, and any other documents that are designated under the First Priority Agreement as "First Priority Security Documents" for purposes of this Agreement.

"**Hedging Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Creditor (or any of its affiliates) in respect of any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that obligations in respect of any phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or its subsidiaries shall not be considered Hedging Obligations.

"**Insolvency Proceeding**" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

"**Lien**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof).

"**Loan Party**" means the Borrower and each direct or indirect subsidiary, affiliate or shareholder (or equivalent) of the Borrower or any of its affiliates that is now or hereafter becomes a party to any First Priority Document or Second Priority Document. All references in this Agreement to any Loan Party shall include such Loan Party as a debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding; provided that NBC Holdings Corp. and NBC Acquisition Corp. shall not be Loan Parties for purposes of this Agreement unless and until such respective parties become party to any Second Priority Document.

"**Notes Post-Petition Assets**" has the meaning in Section 5.2.

"**Person**" means any person, individual, sole proprietorship, partnership, joint venture, corporation, limited liability company, unincorporated organization, association, institution, entity, party, including any government and any political subdivision, agency or instrumentality thereof.

"**Post-Petition Interest**" means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding, whether or not allowed or allowable in any such Insolvency Proceeding.

"**Purchase**" has the meaning set forth in Section 3.7.

"**Purchase Notice**" has the meaning set forth in Section 3.7.

"**Purchase Price**" has the meaning set forth in Section 3.7.

"**Purchasing Parties**" has the meaning set forth in Section 3.7.

"**Real Property**" means any right, title or interest in and to real property, including any fee interest, leasehold interest, easement, or license and any other right to use or occupy real property, including any right arising by contract.

"**Replacement First Priority Agreement**" has the meaning set forth in the definition of "First Priority Agreement."

"**Second Lien Notes**" has the meaning set forth in the second "WHEREAS" clause of this Agreement.

"**Second Priority Agreement**" means the collective reference to (a) the Existing Second Priority Agreement, (b) any Additional Second Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture, or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, increase, renew, refund, replace (whether upon or after termination or otherwise) or refinance (including by means of sales of debt securities to institutional investors) in whole or in part from time to time the indebtedness and other obligations outstanding under the Existing Second Priority Agreement, any Additional Second Priority Agreement or any other agreement or instrument referred to in this clause (c). Any reference to the Second Priority Agreement hereunder shall be deemed a reference to any Second Priority Agreement then extant.

"**Second Priority Collateral**" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any Second Priority Secured Party as security for any Second Priority Obligation.

"**Second Priority Creditors**" means the "Holders" as defined in the Second Priority Agreement and any holder of a Second Lien Note, the Second Priority Representatives or any Persons that are designated under the Second Priority Agreement as the "Second Priority Creditors" for purposes of this Agreement.

"**Second Priority Documents**" means each Second Priority Agreement, each Second Priority Security Document and each Second Priority Guarantee.

"**Second Priority Guarantee**" means any guarantee by any Loan Party of any or all of the Second Priority Obligations.

"**Second Priority Lien**" means any Lien created by the Second Priority Security Documents.

"**Second Priority Obligations**" means (a) with respect to the Existing Second Priority Agreement, all "Secured Obligations" of each Loan Party as defined in the "Security Agreement" referred to in the Second Priority Agreement and (b) with respect to each other Second Priority Agreement, (i) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all indebtedness under the Second Priority Agreement, and (ii) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the Second Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Second Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a

preference in any respect, set aside or required to be paid to a debtor in possession, any First Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"**Second Priority Representative**" has the meaning set forth in the introductory paragraph hereof, but shall also include any Person identified as a "Second Priority Representative" in any Second Priority Agreement other than the Existing Second Priority Agreement.

"**Second Priority Secured Parties**" means the Second Priority Representative, the Second Priority Creditors and any other holders of the Second Priority Obligations.

"**Second Priority Security Documents**" means the "Collateral Documents" as defined in the Second Priority Agreement and any documents that are designated under the Second Priority Agreement as "Second Priority Security Documents" for purposes of this Agreement.

"**Secured Parties**" means the First Priority Secured Parties and the Second Priority Secured Parties.

"**Standstill Period**" has the meaning set forth in Section 3.2.

"**Surviving Obligations**" has the meaning set forth in Section 3.7.

"**Uniform Commercial Code**" shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified, (ii) any reference herein to any Person shall be construed to include such Person's successors or permitted assigns, (iii) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (iv) all references herein to Sections shall be construed to refer to Sections of this Agreement and (v) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 2. *Lien Priorities.*

2.1 Subordination of Liens. (a) Any and all Liens on the Common Collateral now existing or hereafter created or arising in favor of any Second Priority Secured Party securing the Second Priority Obligations, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all Liens on the Common Collateral now existing or hereafter created or arising in favor of the First Priority Secured Parties

securing the First Priority Obligations, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any Second Priority Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any First Priority Document or Second Priority Document or any other circumstance whatsoever and (iii) the fact that any such Liens in favor of any First Priority Secured Party securing any of the First Priority Obligations are (x) subordinated to any Lien securing any obligation of any Loan Party other than the Second Priority Obligations or (y) otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) No First Priority Secured Party or Second Priority Secured Party shall object to or contest, or support any other Person in contesting or objecting to, in any proceeding (including without limitation, any Insolvency Proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Common Collateral granted to the other. Notwithstanding any failure by any First Priority Secured Party or Second Priority Secured Party to perfect its security interests in the Common Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Common Collateral granted to the First Priority Secured Parties or the Second Priority Secured parties, the priority and rights as between the First Priority Secured Parties and the Second Priority Secured Parties with respect to the Common Collateral shall be as set forth herein.

2.2 Nature of First Priority Obligations. The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties acknowledges that the First Priority Obligations represent debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the First Priority Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the First Priority Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Second Priority Secured Parties and without affecting the provisions hereof, but only so long as, except in the case of any DIP Financing, any such obligations are permitted to be incurred pursuant to the Second Priority Documents as in effect on the date of this Agreement. The lien priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the First Priority Obligations or the Second Priority Obligations, or any portion thereof.

2.3 Agreements Regarding Actions to Perfect Liens. (a) The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties agrees that UCC-1 financing statements, patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of the Second Priority Representative with respect to the Common Collateral shall be in form satisfactory to the First Priority Representative.

(b) The Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that all mortgages, deeds of trust, deeds and similar instruments (collectively, "**mortgages**") now or hereafter filed against Real Property that constitutes Common Collateral in favor of or for the benefit of the Second Priority Representative and the other Second Priority Secured Parties shall be in form satisfactory to the First Priority Representative and shall contain the following notation: "The lien created by this mortgage on the property described herein is junior and subordinate to the lien on such property created by any mortgage, deed of trust or similar instrument now or hereafter granted to the First Priority Representative, and its successors and assigns, in such property, in accordance with the

provisions of the Intercreditor Agreement dated as of October 2, 2009 among JPMorgan Chase Bank, N.A., as Administrative Agent, Wilmington Trust FSB, as Collateral Agent, Nebraska Book Company, Inc., as the Borrower, and the other Loan Parties referred to therein, as amended from time to time."

(c) The First Priority Representative hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Common Collateral pursuant to the First Priority Security Documents, such possession or control is also for the benefit of and on behalf of, and the First Priority Representative or such third party holds such possession or control as bailee and agent for, the Second Priority Representative and the other Second Priority Secured Parties solely to the extent required to perfect their security interest in such Common Collateral (such bailment and agency for perfection being intended, among other things, to satisfy the requirements of Sections 8-301(a)(2) and 9-313(c) of the Uniform Commercial Code). Nothing in the preceding sentence shall be construed to impose any duty on the First Priority Representative (or any third party acting on its behalf) with respect to such Common Collateral or provide the Second Priority Representative or any other Second Priority Secured Party with any rights with respect to such Common Collateral beyond those specified in this Agreement and the Second Priority Security Documents, provided that subsequent to the occurrence of the First Priority Obligations Payment Date, the First Priority Representative shall (i) deliver to the Second Priority Representative, at the Borrower's sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Second Priority Documents (and to the extent not so required, such delivery shall be made to the Borrower) or (ii) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs, and provided, further, that the provisions of this Agreement are intended solely to govern the respective Lien priorities as between the First Priority Secured Parties and the Second Priority Secured Parties and shall not impose on the First Priority Secured Parties any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

2.4 No New Liens. So long as the First Priority Obligations Payment Date has not occurred, the parties hereto agree that (a) there shall be no Lien, and no Loan Party shall have any right to create any Lien, on any assets of any Loan Party securing any Second Priority Obligation if these same assets are not subject to, and do not become subject to, a Lien securing the First Priority Obligations and (b) if any Second Priority Secured Party shall acquire or hold any Lien on any assets of any Loan Party securing any Second Priority Obligation which assets are not also subject to the first-priority Lien of the First Priority Representative under the First Priority Documents, then the Second Priority Representative, upon demand by the First Priority Representative, will without the need for any further consent of any other Second Priority Secured Party, notwithstanding anything to the contrary in any other Second Priority Document either (i) release such Lien or (ii) assign it to the First Priority Representative as security for the First Priority Obligations (in which case the Second Priority Representative may retain a junior lien on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the First Priority Secured Parties, the Second Priority Representative and the other Second Priority Secured Parties agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.4 shall be subject to Section 4.1.

SECTION 3. *Enforcement Rights.*

3.1 Exclusive Enforcement. Until the First Priority Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the First

Priority Secured Parties shall have the exclusive right to take and continue any Enforcement Action with respect to the Common Collateral, without any consultation with or consent of any Second Priority Secured Party, but subject to the provisos set forth in Sections 3.2 and 5.1. Upon the occurrence and during the continuance of a default or an event of default under the First Priority Documents, the First Priority Representative and the other First Priority Secured Parties may take and continue any Enforcement Action with respect to the First Priority Obligations and the Common Collateral in such order and manner as they may determine in their sole discretion.

3.2 Standstill and Waivers. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that, until the First Priority Obligations Payment Date has occurred, subject to the proviso set forth in Section 5.1:

(a) they will not take or cause to be taken any Enforcement Action with respect to the Common Collateral;

(b) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien in respect of any Second Priority Obligation pari passu with or senior to, or to give any Second Priority Secured Party any preference or priority relative to, the Liens with respect to the First Priority Obligations or the First Priority Secured Parties with respect to any of the Common Collateral;

(c) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the Common Collateral by any First Priority Secured Party or any other Enforcement Action taken with respect to the Common Collateral (or any forbearance from taking any Enforcement Action with respect to the Common Collateral) by or on behalf of any First Priority Secured Party;

(d) they have no right to (i) direct either the First Priority Representative or any other First Priority Secured Party to exercise any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or (ii) consent or object to the exercise by the First Priority Representative or any other First Priority Secured Party of any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (d), whether as a junior lien creditor or otherwise, they hereby irrevocably waive such right);

(e) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any First Priority Secured Party seeking damages from or other relief by way of specific performance, injunction or otherwise, with respect to, and no First Priority Secured Party shall be liable for, any action taken or omitted to be taken by any First Priority Secured Party with respect to the Common Collateral or pursuant to the First Priority Documents; and

(f) they will not seek, and hereby waive any right, to have the Common Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Common Collateral.

provided that, notwithstanding the foregoing, any Second Priority Secured Party may exercise its rights and remedies in respect of the Common Collateral under the Second Priority Security Documents or applicable law after the passage of a period of 180 days (the "**Standstill Period**") from the date of delivery of a notice in writing to the First Priority Representative of its intention to exercise such rights and remedies, which notice may only be delivered following the occurrence of and during the continuation of an "Event of Default" under and as defined in the Second Priority Agreement; provided, further, however, that, notwithstanding the foregoing, in no event shall any Second Priority Secured Party exercise or continue to exercise any such rights or remedies if, notwithstanding the expiration of the Standstill Period, (i) any First Priority Secured Party shall have commenced and be diligently pursuing the exercise of any of its rights and remedies with respect to any of the Common Collateral (prompt notice of such exercise to be given to the Second Priority Representative) or (ii) an Insolvency Proceeding in respect of any Loan Party shall have been commenced; and provided, further, that in any Insolvency Proceeding commenced by or against any Loan Party, the Second Priority Representative and the Second Priority Secured Parties may take any action expressly permitted by Section 5.

3.3 Judgment Creditors. In the event that any Second Priority Secured Party becomes a judgment lien creditor as a result of its enforcement of its rights as an unsecured creditor, any such judgment lien on the Common Collateral shall be subject to the terms of this Agreement for all purposes (including in relation to the First Priority Liens and the First Priority Obligations) to the same extent as other Liens on the Common Collateral securing the Second Priority Obligations are subject to the terms of this Agreement.

3.4 Cooperation. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that each of them shall take such actions as the First Priority Representative shall reasonably request in connection with the exercise by the First Priority Secured Parties of their rights set forth herein.

3.5 No Additional Rights For the Loan Parties Hereunder. Except as provided in Section 3.6, if any First Priority Secured Party or Second Priority Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Loan Party shall be entitled to use such violation as a defense to any action by any First Priority Secured Party or Second Priority Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any First Priority Secured Party or Second Priority Secured Party.

3.6 Actions Upon Breach. (a) If any Second Priority Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Loan Party or the Common Collateral, such Loan Party, with the prior written consent of the First Priority Secured Representative, may interpose as a defense or dilatory plea the making of this Agreement, and any First Priority Secured Party may intervene and interpose such defense or plea in its or their name or in the name of such Loan Party.

(b) Should any Second Priority Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, any First Priority Secured Party (in its own name or in the name of the relevant Loan Party) or the relevant Loan Party may obtain relief against such Second Priority Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Second Priority Representative on behalf of each Second Priority Secured Party that (i) the First Priority Secured Parties' damages from its actions may at that time be

difficult to ascertain and may be irreparable, and (ii) each Second Priority Secured Party waives any defense that the Loan Parties and/or the First Priority Secured Parties cannot demonstrate damage and/or be made whole by the awarding of damages.

3.7 Option to Purchase. (a) The First Priority Representative agrees that it will give the Second Priority Representative written notice (the "**Enforcement Notice**") within five business days after commencing any Enforcement Action with respect to Common Collateral (which notice shall be effective for all Enforcement Actions taken after the date of such notice so long as the First Priority Representative is diligently pursuing in good faith the exercise of its default or enforcement rights or remedies against, or diligently attempting in good faith to vacate any stay of enforcement rights of its senior Liens on a material portion of the Common Collateral, including, without limitation, all Enforcement Actions identified in such notice). Any Second Priority Secured Party shall have the option upon receipt of the Enforcement Notice by the Second Priority Representative, by irrevocable written notice (the "**Purchase Notice**") delivered by the Second Priority Representative to the First Priority Representative no later than five business days after receipt by the Second Priority Representative of the Enforcement Notice, to purchase all (but not less than all) of the First Priority Obligations from the First Priority Secured Parties. If the Second Priority Representative so delivers the Purchase Notice, the First Priority Representative shall terminate any existing Enforcement Actions and shall not take any further Enforcement Actions, provided, that the Purchase (as defined below) shall have been consummated on the date specified in the Purchase Notice in accordance with this Section 3.7.

(b) On the date specified by the Second Priority Representative in the Purchase Notice (which shall be a business day not less than five business days, nor more than ten business days, after receipt by the First Priority Representative of the Purchase Notice), the First Priority Secured Parties shall, subject to any required approval of any court or other governmental authority then in effect, sell to the Second Priority Secured Parties electing to purchase pursuant to Section 3.7(a) (the "**Purchasing Parties**"), and the Purchasing Parties shall purchase (the "**Purchase**") from the First Priority Secured Parties, the First Priority Obligations; provided, that the First Priority Obligations purchased shall not include any rights of First Priority Secured Parties with respect to indemnification and other obligations of the Loan Parties under the First Priority Documents that are expressly stated to survive the termination of the First Priority Documents (the "**Surviving Obligations**").

(c) Without limiting the obligations of the Loan Parties under the First Priority Documents to the First Priority Secured Parties with respect to the Surviving Obligations (which shall not be transferred in connection with the Purchase), on the date of the Purchase, the Purchasing Parties shall (i) pay to the First Priority Secured Parties as the purchase price (the "**Purchase Price**") therefor the full amount of all First Priority Obligations then outstanding and unpaid (including principal, interest, fees, breakage costs, attorneys' fees and expenses, and, in the case of any Hedging Obligations, the amount that would be payable by the relevant Loan Party thereunder if it were to terminate such Hedging Obligations on the date of the Purchase or, if not terminated, an amount determined by the relevant First Priority Secured Party to be necessary to collateralize its credit risk arising out of such Hedging Obligations), (ii) furnish cash collateral (the "**Cash Collateral**") to the First Priority Secured Parties in such amounts as the relevant First Priority Secured Parties determine is reasonably necessary to secure such First Priority Secured Parties in connection with any outstanding letters of credit (not to exceed 105% of the aggregate undrawn face amount of such letters of credit), (iii) agree to reimburse the First Priority Secured Parties for any loss, cost, damage or expense (including attorneys' fees and expenses) in connection with any fees, costs or expenses related to any checks or other payments provisionally credited to the First Priority Obligations and/or as to which the First Priority Secured Parties have not yet received final payment and (iv) agree, after written request from the First Priority Representative, to reimburse the First Priority

Secured Parties in respect of indemnification obligations of the Loan Parties under the First Priority Documents as to matters or circumstances known to the Purchasing Parties at the time of the Purchase which could reasonably be expected to result in any loss, cost, damage or expense to any of the First Priority Secured Parties, provided that, in no event shall any Purchasing Party have any liability for such amounts in excess of proceeds of Common Collateral received by the Purchasing Parties.

(d) The Purchase Price and Cash Collateral shall be remitted by wire transfer in immediately available funds to such account of the First Priority Representative as it shall designate to the Purchasing Parties. The First Priority Representative shall, promptly following its receipt thereof, distribute the amounts received by it in respect of the Purchase Price to the First Priority Secured Parties in accordance with the First Priority Agreement. Interest shall be calculated to but excluding the day on which the Purchase occurs if the amounts so paid by the Purchasing Parties to the account designated by the First Priority Representative are received in such account prior to 12:00 noon, New York City time, and interest shall be calculated to and including such day if the amounts so paid by the Purchasing Parties to the account designated by the First Priority Representative are received in such account later than 12:00 noon, New York City time.

(e) The Purchase shall be made without representation or warranty of any kind by the First Priority Secured Parties as to the First Priority Obligations, the Common Collateral or otherwise and without recourse to the First Priority Secured Parties, except that the First Priority Secured Parties shall represent and warrant: (i) the amount of the First Priority Obligations being purchased, (ii) that the First Priority Secured Parties own the First Priority Obligations free and clear of any liens or encumbrances and (iii) that the First Priority Secured Parties have the right to assign the First Priority Obligations and the assignment is duly authorized.

(f) For the avoidance of doubt, the parties hereto hereby acknowledge and agree that in no event shall the Second Priority Representative (i) be deemed to be a Purchasing Party for purposes of this Section 3.7, (ii) be subject to or liable for any obligations of a Purchasing Party pursuant to this Section 3.7 or (iii) incur any liability to any First Priority Secured Party or any other Person in connection with any Purchase pursuant to this Section 3.7.

SECTION 4. *Application of Proceeds of Common Collateral; Dispositions and Releases of Common Collateral; Inspection and Insurance.*

4.1 Application of Proceeds; Turnover Provisions. All proceeds of Common Collateral (including without limitation any interest earned thereon) resulting from the sale, collection or other disposition of Common Collateral in connection with an Enforcement Action, whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the First Priority Representative for application to the First Priority Obligations in accordance with the terms of the First Priority Documents, until the First Priority Obligations Payment Date has occurred and thereafter, to the Second Priority Representative for application in accordance with the Second Priority Documents. Until the occurrence of the First Priority Obligations Payment Date, any Common Collateral, including without limitation any such Common Collateral constituting proceeds, that may be received by any Second Priority Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the First Priority Representative, for the benefit of the First Priority Secured Parties, in the same form as received, with any necessary endorsements, and each Second Priority Secured Party hereby authorizes the First Priority Representative to make any such endorsements as agent for the Second Priority Representative (which authorization, being coupled with an interest, is irrevocable).

4.2 Releases of Second Priority Lien. (a) Upon any release, sale or disposition of Common Collateral permitted pursuant to the terms of the First Priority Documents that results in the release of the First Priority Lien on any Common Collateral (excluding (i) any sale or other disposition that is expressly prohibited by the Second Priority Agreement as in effect on the date hereof unless such sale or disposition is consummated in connection with an Enforcement Action or consummated after the institution of any Insolvency Proceeding and (ii) the release of all First Priority Liens in connection with the payment in full of all First Priority Obligations), the Second Priority Lien on such Common Collateral (excluding any portion of the proceeds of such Common Collateral remaining after the First Priority Obligations Payment Date occurs) shall be automatically and unconditionally released with no further consent or action of any Person.

(b) The Second Priority Representative shall promptly execute and deliver such release documents and instruments (which shall be prepared by the First Priority Representative) at the expense of the Borrower and shall take such further actions as the First Priority Representative shall request to evidence any release of the Second Priority Lien described in paragraph (a). The Second Priority Representative hereby appoints the First Priority Representative and any officer or duly authorized person of the First Priority Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Second Priority Representative and in the name of the Second Priority Representative or in the First Priority Representative's own name, from time to time, in the First Priority Representative's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

4.3 Inspection Rights and Insurance. (a) Any First Priority Secured Party and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the Common Collateral, and the First Priority Representative may advertise and conduct public auctions or private sales of the Common Collateral, in each case without notice to, the involvement of or interference by any Second Priority Secured Party or liability to any Second Priority Secured Party.

(b) Proceeds of Common Collateral include insurance proceeds in respect of such Common Collateral and therefore the lien priorities provided in Section 2.1 shall govern the ultimate disposition of casualty insurance proceeds. The First Priority Representative and Second Priority Representative shall be named as additional insureds and loss payees with respect to all insurance policies relating to Common Collateral. Until the First Priority Obligations Payment Date has occurred, the First Priority Representative shall have the sole and exclusive right, as against the Second Priority Representative, to adjust or settle any insurance claims in the event of any covered loss, theft or destruction of Common Collateral. All proceeds of such insurance shall be remitted to the First Priority Representative or the Second Priority Representative, as the case may be, and each of the Second Priority Representative and First Priority Representative shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1.

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions. Until the First Priority Obligations Payment Date has occurred, the Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that no Second Priority Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case that (a) violates, or is prohibited by, this Section 5 (or, in the absence of an Insolvency Proceeding, otherwise would violate or be prohibited by this Agreement), (b) asserts any right, benefit or privilege that arises in favor of the Second Priority Secured Parties, in whole or in part, as a result of their interest in the Common Collateral (unless the assertion of such right is expressly permitted by this Agreement) or (c) challenges the validity, priority, enforceability or voidability of any Liens or claims held by the First Priority Representative or any other First Priority Secured Party with respect to the Common Collateral, or the extent to which the First Priority Obligations constitute secured claims or the value thereof under Section 506(a) of the Bankruptcy Code or otherwise; provided that the Second Priority Representative may (i) file a proof of claim in an Insolvency Proceeding and (ii) file any necessary responsive or defensive pleadings in opposition to any motion or other pleadings made by any Person objecting to or otherwise seeking the disallowance of any claims of the Second Priority Secured Parties on the Common Collateral, subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the Second Priority Representative imposed hereby.

5.2 Financing Matters. If any Loan Party becomes subject to any Insolvency Proceeding at any time prior to the First Priority Obligations Payment Date, and if the First Priority Representative or the other First Priority Secured Parties desire to consent (or not object) to the use of cash collateral under the Bankruptcy Code or to provide financing to any Loan Party under the Bankruptcy Code or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "**DIP Financing**"), then the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that each Second Priority Secured Party (a) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such DIP Financing, (b) will not request or accept adequate protection or any other relief in connection with the use of such cash collateral or such DIP Financing except as set forth in Section 5.4 below, (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens on any Common Collateral (i) to such DIP Financing on the same terms as the First Priority Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection provided to the First Priority Secured Parties and (iii) to any "carve-out" agreed to by the First Priority Representative or the other First Priority Secured Parties, and (d) agrees that notice received two calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice so long as (A) the Second Priority

Representative retains its Lien on the Common Collateral to secure the Second Priority Obligations (in each case, including proceeds thereof arising after the commencement of the case under the Bankruptcy Code) and (B) all Liens on Common Collateral securing any such DIP Financing shall be senior to or on a parity with the Liens of the First Priority Representative and the First Priority Creditors on Common Collateral securing the First Priority Obligations.

5.3 Relief From the Automatic Stay. Until the First Priority Obligations Payment Date has occurred, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that none of them will seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Common Collateral, without the prior written consent of the First Priority Representative.

5.4 Adequate Protection. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that, prior to the First Priority Obligations Payment Date, none of them shall object, contest, or support any other Person objecting to or contesting, (a) any request by the First Priority Representative or the other First Priority Secured Parties for adequate protection of its interest in the Common Collateral or any adequate protection provided to the First Priority Representative or the other First Priority Secured Parties, (b) any objection by the First Priority Representative or any other First Priority Secured Parties to any motion, relief, action or proceeding based on a claim of a lack of adequate protection in the Common Collateral or (c) the payment of interest, fees, expenses or other amounts to the First Priority Representative or any other First Priority Secured Party under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, further agrees that, prior to the First Priority Obligations Payment Date, none of them shall assert or enforce any claim under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise that is senior to or on a parity with the First Priority Liens for costs or expenses of preserving or disposing of any Common Collateral. Notwithstanding anything to the contrary set forth in this Section and in Section 5.2(a)(ii), but subject to all other provisions of this Agreement (including, without limitation, Section 5.2(a)(i) and Section 5.3), in any Insolvency Proceeding, (i) if the First Priority Secured Parties (or any subset thereof) are granted adequate protection consisting of additional collateral that constitutes Common Collateral (with replacement liens on such additional collateral) and superpriority claims in connection with any DIP Financing or use of cash collateral with respect to the Common Collateral, and the First Priority Secured Parties do not object to the adequate protection being provided to them, then in connection with any such DIP Financing or use of cash collateral the Second Priority Representative, on behalf of itself and any of the Second Priority Secured Parties, may, as adequate protection of their interests in the Common Collateral, seek or accept (and the First Priority Representative and the First Priority Secured Parties shall not object to) adequate protection consisting solely of (x) a replacement Lien on the same additional collateral, subordinated to the Liens securing the First Priority Obligations and such DIP Financing on the same basis as the other Second Priority Liens on the Common Collateral are so subordinated to the First Priority Obligations under this Agreement and (y) superpriority claims junior in all respects to the superpriority claims granted to the First Priority Secured Parties, provided, however, that the Second Priority Representative shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code, on behalf of itself and the Second Priority Secured Parties, in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims and (ii) in the event the Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, seeks or accepts adequate protection in accordance with clause (i) above and such adequate protection is granted in the form of additional collateral, then the Second Priority Representative, on behalf of itself or any of the Second

Priority Secured Parties, agrees that the First Priority Representative shall also be granted a senior Lien on such additional collateral as security for the First Priority Obligations and any such DIP Financing and that any Lien on such additional collateral securing the Second Priority Obligations shall be subordinated to the Liens on such collateral securing the First Priority Obligations and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the First Priority Secured Parties as adequate protection, with such subordination to be on the same terms that the other Liens securing the Second Priority Obligations are subordinated to such First Priority Obligations under this Agreement. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that except as expressly set forth in this Section none of them shall seek or accept adequate protection with respect to their interests in the Common Collateral without the prior written consent of the First Priority Representative.

5.5 Avoidance Issues. If any First Priority Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "**Recovery**"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the First Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the First Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Priority Secured Parties agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

5.6 Asset Dispositions in an Insolvency Proceeding. In an Insolvency Proceeding or otherwise, neither the Second Priority Representative nor any other Second Priority Secured Party shall oppose any sale or disposition of any Common Collateral that is supported by the First Priority Secured Parties, and the Second Priority Representative and each other Second Priority Secured Party will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale supported by the First Priority Secured Parties and to have released their Liens on such assets.

5.7 Separate Grants of Security and Separate Classification. Each Secured Party acknowledges and agrees that (a) the grants of Liens pursuant to the First Priority Security Documents and the Second Priority Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Common Collateral, the First Priority Obligations and the Second Priority Obligations are fundamentally different from each other and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the First Priority Secured Parties and Second Priority Secured Parties in respect of the Common Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Second Priority Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Loan Parties in respect of the Common Collateral, with the effect being that, to the extent that the aggregate value of the Common Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Secured Parties), the First Priority Secured Parties shall be entitled to receive, in addition

to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest before any distribution is made in respect of the claims held by the Second Secured Priority Secured Parties. The Second Priority Secured Parties hereby acknowledge and agree to turn over to the First Priority Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of the preceding sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Secured Parties.

5.8 No Waivers of Rights of First Priority Secured Parties. Nothing contained herein shall prohibit or in any way limit the First Priority Representative or any other First Priority Secured Party from objecting in any Insolvency Proceeding or otherwise to any action taken by any Second Priority Secured Party not expressly permitted hereunder, including the seeking by any Second Priority Secured Party of adequate protection with respect to its interests in the Common Collateral (except as provided in Section 5.4).

5.9 Other Matters. To the extent that the Second Priority Representative or any Second Priority Secured Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code with respect to any of the Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties not to assert any of such rights without the prior written consent of the First Priority Representative unless expressly permitted to do so hereunder.

5.10 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency Proceeding.

SECTION 6. *Security Documents.*

(a) Each Loan Party and the Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the Second Priority Documents in violation of this Agreement.

(b) Each Loan Party and the First Priority Representative, on behalf of itself and the First Priority Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the First Priority Documents in violation of this Agreement.

(c) In the event the First Priority Representative enters into any amendment, waiver or consent in respect of any of the First Priority Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Priority Security Document or changing in any manner the rights of any parties thereunder, in each case solely with respect to any Common Collateral, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Second Priority Security Document without the consent of or action by any Second Priority Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that (other than with respect to amendments, modifications or waivers that secure additional extensions of credit and add additional secured creditors and do not violate the express provisions of the Second Priority Agreements), (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Second Priority Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that adversely affects the rights of the Second Priority Secured Parties and does not affect the First Priority Secured Parties in a like or similar manner shall not apply to the Second Priority Security Documents without the consent of the Second Priority Representative, (iii) no such amendment,

waiver or consent with respect to any provision applicable to the collateral agent under the Second Priority Documents shall be made without the prior written consent of such collateral agent and (iv) notice of such amendment, waiver or consent shall be given to the Second Priority Representative no later than 30 days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

(d) The First Priority Obligations and the Second Priority Obligations may be refinanced or replaced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is otherwise required to permit the refinancing transaction under any First Priority Agreement or any Second Priority Agreement) of any First Priority Secured Party or any Second Priority Secured Party, all without affecting the Lien priorities provided for herein or the other provisions hereof; provided, however, that the holders of any such refinancing or replacement Indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of this Agreement pursuant to such documents or agreements (including amendments or supplements to this Agreement) as the First Priority Representative or the Second Priority Representative, as the case may be, shall reasonably request and in form and substance reasonably acceptable to the First Priority Representative or the Second Priority Representative, as the case may be; provided that such documents or agreements shall comply with Section 6(a) and Section 6(b).

(e) If at any time in connection with or after the discharge of all First Priority Obligations, the Borrower enters into any replacement First Priority Agreement secured by all or a portion of the First Priority Collateral on a first-priority basis, then such prior discharge of First Priority Obligations shall automatically be deemed not to have occurred for the purposes of this Agreement, and the obligations under such replacement First Priority Agreement shall automatically be treated as First Priority Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of the First Priority Collateral (or such portion thereof) set forth therein.

(f) In connection with any refinancing or replacement contemplated by Section 6(d) or 6(e), this Agreement may be amended at the request and sole expense of the Borrower, and without the consent of the First Priority Representative, the First Priority Secured Parties, or the Second Priority Representative or the Second Priority Secured Parties (a) to add parties (or any authorized agent or trustee therefor) providing any such refinancing or replacement indebtedness, (b) to establish that Liens on any First Priority Collateral securing such refinancing or replacement indebtedness shall have the same priority (or junior priority) as the Liens on any First Priority Collateral securing the Indebtedness being refinanced or replaced and (c) to establish that Liens on any Second Priority Collateral securing such refinancing or replacement indebtedness shall have the same priority as the Liens on any Second Priority Collateral securing the indebtedness being refinanced or replaced, all on the terms provided for immediately prior to such refinancing or replacement.

SECTION 7. *Reliance; Waivers; etc.*

7.1 Reliance. All extensions of credit under the First Priority Documents made after the date hereof are deemed to have been made or incurred, in reliance upon this Agreement. The Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the First Priority Secured Parties. The Second Priority Documents are deemed to have been executed and delivered and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The First Priority Representative expressly waives all notices of the acceptance of and reliance by the Second Priority Representative and the Second Priority Secured Parties.

7.2 No Warranties or Liability. The Second Priority Representative and the First Priority Representative acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any other First Priority Document or any Second Priority Document. Except as otherwise provided in this Agreement, the Second Priority Representative and the First Priority Representative will be entitled to manage and supervise their respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

7.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Loan Party with the terms and conditions of any of the First Priority Documents or the Second Priority Documents.

SECTION 8. *Obligations Unconditional.*

8.1 First Priority Obligations Unconditional. All rights and interests of the First Priority Secured Parties hereunder, and all agreements and obligations of the Second Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any First Priority Document;

(c) prior to the First Priority Obligations Payment Date, any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the First Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the First Priority Obligations, or of any of the Second Priority Representative, or any Loan Party, to the extent applicable, in respect of this Agreement (other than the occurrence of the First Priority Obligations Payment Date).

8.2 Second Priority Obligations Unconditional. All rights and interests of the Second Priority Secured Parties hereunder, and all agreements and obligations of the First Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Second Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Second Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Second Priority Document;

(c) any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the Second Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the Second Priority Obligations or any First Priority Secured Party in respect of this Agreement.

SECTION 9. *Miscellaneous.*

9.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any First Priority Document or any Second Priority Document, the provisions of this Agreement shall govern. Notwithstanding the foregoing, the parties hereto acknowledge that the terms of this Agreement are not intended to and shall not, as between the Loan Parties and the Secured Parties, negate, impair, waive or cancel any rights granted to, or carry liability or obligation of, any Loan Party in the First Priority Documents and the Second Priority Documents or impose any additional obligations on the Loan Parties (other than as expressly set forth herein).

9.2 Continuing Nature of Provisions. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the First Priority Obligation Payment Date shall have occurred. This is a continuing agreement and the First Priority Secured Parties and the Second Priority Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, Borrower or any other Loan Party on the faith hereof.

9.3 Amendments; Waivers. (a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the First Priority Representative (in accordance with the First Priority Agreement) and the Second Priority Representative (in accordance with the Second Priority Agreement), and, in the case of amendments or modifications of Sections 3.5, 3.6, 5.2, 5.4, 6(c), 6(d), 6(e), 6(f), 9.3, 9.5 or 9.6, the Loan Parties, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the parties making such waiver or the obligations of the other parties to such party in any other respect or at any other time. Anything herein to the contrary notwithstanding, no consent of any Loan Party shall be required for amendments, modifications or waivers of any other provisions of this Agreement other than those that (i) affect any obligation or right of the Loan Parties hereunder or under the First Priority Documents or the Second Priority Documents or that would impose any additional obligations on the Loan Parties or (ii) change the rights of the Loan Parties to refinance the First Priority Obligations or the Second Priority Obligations.

(b) It is understood that this Agreement may be amended from time to time at the request of the Borrower, at the Borrower's sole expense, and without the consent of the First Priority Representative, Second Priority Representative, any First Priority Secured Party or any Second Priority Secured Party to (i) add other parties holding additional Indebtedness or obligations that constitute First Priority Obligations ("**Additional First Priority Debt**") or Second Priority Obligations ("**Additional Second Priority Debt**") (or any agent or trustee thereof) in each case to the extent such Indebtedness or obligation is permitted to be Incurred by the First Priority Agreement and Second Priority Agreement then extant, (ii) in the case of Additional Second Priority Debt, (1) establish that the Lien on the Common

Collateral securing such Additional Second Priority Debt shall be junior and subordinate in all respects to all Liens on the Common Collateral securing any First Priority Obligations and shall share in the benefits of the Common Collateral equally and ratably with all Liens on the Common Collateral securing any Second Priority Obligations, and (2) provide to the holders of such Additional Second Priority Debt (or any agent or trustee thereof) the comparable rights and benefits (including any improved rights and benefits that have been consented to by the First Priority Representative for the benefit of all Second Priority Debt) as are provided to the holders of Second Priority Obligations under this Agreement, and (iii) in the case of Additional First Priority Debt, (1) establish that the Lien on the Common Collateral securing such Additional First Priority Debt shall be superior in all respects to all Liens on the Common Collateral securing any Second Priority Obligations and shall share in the benefits of the Common Collateral equally and ratably with all Liens on the Common Collateral securing any First Priority Lien Obligations, and (2) provide to the holders of such Additional First Priority Debt (or any agent or trustee thereof) the comparable rights and benefits as are provided to the holders of First Priority Lien Obligations under this Agreement, in each case so long as such modifications do not expressly violate the provisions of any First Priority Agreement or Second Priority Agreement. Any such additional party and each First Priority Representative and Second Priority Representative shall be entitled to rely on the determination of officers of the Borrower that such modifications do not violate any First Priority Agreement or Second Priority Agreement if such determination is set forth in an Officers' Certificate and an opinion of counsel delivered to such party, the First Priority Representative and the Second Priority Representative. Any amendment to this Agreement that is proposed to be effected without the consent of any First Priority Representative shall be submitted to such First Priority Representative reasonably promptly after the effectiveness of such amendment, and no such First Priority Representative shall be deemed to have knowledge of any such amendment until it receives a copy of such amendment. Any amendment to this Agreement that is proposed to be effected without the consent of any Second Priority Representative shall be submitted to such Second Priority Representative reasonably promptly after the effectiveness of such amendment, and no such Second Priority Representative shall be deemed to have knowledge of any such amendment until it receives a copy of such amendment.

9.4 Information Concerning Financial Condition of the Borrower and the other Loan Parties. Neither the Second Priority Representative nor the First Priority Representative hereby assumes responsibility for keeping each other informed of the financial condition of the Borrower and each of the other Loan Parties and all other circumstances bearing upon the risk of nonpayment of the First Priority Obligations or the Second Priority Obligations. The Second Priority Representative and the First Priority Representative hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event the Second Priority Representative or the First Priority Representative, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation (a) to provide or update any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information. Neither the First Priority Representative nor the Second Priority Representative shall have any responsibility to monitor or verify the financial condition of the Borrower or other Loan Parties.

9.5 Governing Law. This Agreement shall be construed in accordance with and governed by the law of the State of New York, except as otherwise required by mandatory provisions of law and except to the extent that remedies provided by the laws of any jurisdiction other than the State of New York are governed by the laws of such jurisdiction.

9.6 Submission to Jurisdiction. (a) Each First Priority Secured Party, each Second Priority Secured Party and each Loan Party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each such party hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each such party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the any First Priority Secured Party or Second Priority Secured Party may otherwise have to bring any action or proceeding against any Loan Party or its properties in the courts of any jurisdiction.

(b) Each First Priority Secured Party, each Second Priority Secured Party and each Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so (i) any objection it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this Section and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.7. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

9.7 Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile. All such notices and other communications (i) sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received or (ii) sent by facsimile shall be deemed to have been given when sent, provided that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

9.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the First Priority Secured Parties and Second Priority Secured Parties and their respective successors and permitted assigns, and nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Common Collateral.

9.9 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.10 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the

remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.11 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by email or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.

9.12 **WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

9.13 Additional Loan Parties. Each Person that becomes a Loan Party after the date hereof shall become a party to this Agreement upon execution and delivery by such Person of an Assumption Agreement in the form of Annex 1 to the Guarantee and Collateral Agreement referred to in the First Priority Agreement.

9.14 Concerning the Second Priority Representative. Each of the parties hereto acknowledges that Wilmington Trust FSB is entering into this Agreement upon direction of the Second Priority Creditors and solely in its capacity as Collateral Agent and Trustee under the Collateral Documents (as defined in the Existing Second Priority Agreement) and not in its individual capacity and in no event shall Wilmington Trust FSB incur any liability in connection with this Agreement or be personally liable for or on account of the statements, representations, warranties, covenants or obligations stated to be those of the Second Priority Representative or the Second Priority Secured Parties hereunder (including action taken on its behalf pursuant to Section 4.2(b)), all such liability, if any, being expressly waived by the parties hereto and any person claiming by, though or under such party. Each party hereto hereby acknowledges and agrees that all of the rights, privileges, protections, indemnities and immunities afforded Wilmington Trust FSB as Trustee and Collateral Agent under the Existing Second Priority Agreement and the Collateral Documents are hereby incorporated herein as if set forth herein in full. Notwithstanding anything to the contrary herein, the fees, expenses and indemnities owing to Wilmington Trust FSB, as Collateral Agent and Trustee, by any Loan Party, shall not be subordinated to any First Priority Obligation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

JPMORGAN CHASE BANK, N.A., as First Priority Representative for and on behalf of the First Priority Secured Parties

By: _____
Name: Eric H. Pratt
Title: Vice President

Address for Notices:

JPMorgan Chase Bank, N.A.
Bank Loans and Agency Services
1111 Fannin Street, 10th Floor
Houston, TX 77002

Attention: Syed X Abbas
Telecopy No.: 713-286-3245

with a copy to:

JPMorgan Chase Bank
270 Park Avenue
New York, NY 10017

Attention: Eric H Pratt
Telecopy No.: Eric H Pratt

WILMINGTON TRUST FSB, as Second Priority Representative for and on behalf of the Second Priority Secured Parties

By: _____
Name:
Title:

Address for Notices:

Wilmington Trust Company FSB
246 Goose Lane, Suite 105
Guilford, CT 06437

Attention: Corporate Trust Administration
Telecopy No.: 203-453-1183

WILMINGTON TRUST FSB, as Second Priority Representative
for and on behalf of the Second Priority Secured Parties

By: _____
Name: Tim Mowdy
Title: Vice President

Address for Notices:

Wilmington Trust Company FSB
246 Goose Lane, Suite 105
Guilford, CT 06437

Attention: Corporate Trust Administration
Telecopy No.: 203-453-1183

NEBRASKA BOOK COMPANY, INC.
SPECIALTY BOOKS, INC.
NBC TEXTBOOKS LLC
COLLEGE BOOKSTORES OF AMERICA, INC.
NET TEXTSTORE LLC
CAMPUS AUTHENTIC LLC

By: ______________________
Name: Barry S. Major
Title: President

[Signature Page – Intercreditor]