

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>NEBRASKA BOOK COMPANY, INC., <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 11-12005 (PJW)</p> <p>Jointly Administered</p> <p>Requested Objection Deadline: April 6, 2012, at 4:00 p.m. ET</p> <p>Requested Hearing Date: April 13, 2012, at 10:00 a.m. ET</p>
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**MOTION OF THE DEBTORS FOR THE ENTRY OF AN ORDER APPROVING
(A) CERTAIN TERM LOAN OFFERING PROCEDURES AND FORMS IN
CONNECTION THEREWITH AND (B) ENTRY INTO A BACKSTOP AGREEMENT
AND PAYMENT OF CERTAIN FEES IN CONNECTION THEREWITH**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this motion (this “Motion”) for the entry of an order, substantially in the form attached hereto as Exhibit A, approving (a) the Debtors’ procedures (the “Term Loan Offering Procedures”), substantially in the form attached to Exhibit A as Exhibit 1, for the implementation of the \$80 million new money first lien term loan offering (the “Term Loan Offering”) contemplated by the Debtors’ plan of reorganization, (b) the form entitled “Indication of Accredited Investor Status” (the “Election Form”) to be completed by certain holders of 10% senior secured notes due 2011 (the “10% Notes,” and collectively, the “Senior Secured Noteholders”) to indicate whether or not such holders are eligible to participate in the Term Loan Offering (each eligible Senior Secured Noteholder, an “Eligible Holder”), substantially in the form attached to

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.



Exhibit A as Exhibit 2, (c) the form pursuant to which certain holders of Senior Secured Notes will exercise rights to participate in the Term Loan Offering (the “Contribution Form”), substantially in the form attached to Exhibit A as Exhibit 3, and (d) the Debtors’ execution and implementation of that certain backstop agreement, attached hereto as Exhibit B (the “Backstop Agreement”),² by and among the Debtors and the Senior Secured Noteholders party thereto (the “Backstop Participants,” and collectively with the Debtors, the “Backstop Agreement Parties”), and the payment of certain fees and expenses in connection therewith. In support of this Motion, the Debtors respectfully state as follows.

Preliminary Statement

1. The Debtors now seek authority to enter into the Backstop Agreement and approve the Term Loan Offering Materials (as defined below), two essential elements of the Amended Plan (as defined below). The Debtors have reached agreement with approximately 73% of their Senior Secured Noteholders and over two-thirds in amount of the holders of the Debtors’ 8.625% senior subordinated notes due 2012 (the “8.625% Noteholders”) regarding the terms of the Amended Plan, of which the \$80 million new money first lien term loan (the “Term Loan”) and opportunity to backstop the Term Loan (the “Backstop Commitment”) were essential parts.

2. Pursuant to the Backstop Agreement, the Debtors will receive new capital in the form of the \$80 million Term Loan, fully backstopped by the Backstop Participants, including one of the largest Senior Secured Noteholders in dollar amount. The Backstop Agreement ensures that the Debtors will receive the full \$80 million of new capital necessary to emerge from chapter 11 regardless of whether each of the Senior Secured Noteholders elects to

² Capitalized terms used but otherwise not defined herein shall have the meanings ascribed to them in the Amended PSA (as defined herein) or Backstop Agreement, as applicable.

contribute their *pro rata* share towards funding the Term Loan. As consideration for the Backstop Commitment, the Debtors are seeking authority to pay the Backstop Participants the following, which the Debtors believe is within the range of reasonableness for capital contributions and commitments of this size and type:

- a commitment fee of 1% per month on the total face value of the Backstop Commitment for each month that the Backstop Commitment is outstanding, until funding (the “Commitment Fee”);³
- a funding fee of 1% of the aggregate amount of the Term Loan funded by the Backstop Participants (in their capacity as an Eligible Holder and/or a Backstop Participant (the “Funding Fee”); and
- the reasonable fees, costs, expenses, disbursements, and charges of the Backstop Participants (including legal fees and disbursements), relating to the exploration and discussion of the Backstop Commitment and/or to the preparation and negotiation of the Backstop Agreement, the Term Sheet, and the proposed documentation and transactions contemplated thereby.

The Commitment Fee began to accrue as of the signing of the Backstop Agreement, but both the Commitment Fee and Funding Fee are payable in kind upon closing of the Term Loan. The Backstop Agreement also provides for certain indemnifications and limitations on remedies that are integral to the agreement of the Backstop Participants, on the one hand, and the Debtors, on the other hand, to support and eventually consummate the Amended Plan. The Debtors have agreed to indemnify each of the Backstop Participants and other indemnified persons from any matters pertaining to, arising out of, or any way related to the Backstop Agreement, Backstop Commitment, Term Sheet, or the Amended Plan.

3. The Backstop Agreement, at all times negotiated in good faith and at arms'-length, enables the Debtors to move expeditiously to confirm and consummate the Amended Plan by ensuring that the Term Loan will be fully funded, of which there is no

³ The Commitment Fee shall be payable in cash, however, if the Backstop Agreement is terminated in accordance with its terms prior to the closing of the Term Loan.

certainty at this time. The Term Loan and Backstop Agreement are critical components of the overall deal struck between the Debtors and the Senior Secured Noteholders that have induced the Senior Secured Noteholders to equitize their secured debt and support the Amended Plan, which is why the Term Loan and Backstop Commitment were not “shopped” to the debt markets.

4. Moreover, approval of the Backstop Agreement is required under the Amended PSA (as defined below), further reflecting that the Backstop Agreement is part and parcel to the Senior Secured Noteholders’ commitment to support the Amended Plan. Accordingly, the Debtors seek authority to approve the Term Loan Offering Materials and enter into the Backstop Agreement, both of which are necessary to effectuate the Term Loan under the Amended Plan and begin the process of exiting chapter 11.⁴

Jurisdiction and Venue

5. 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).

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

7. The statutory bases for the relief requested herein are sections 105(a), 363(b), and 1125 of title 11 of the United States Code (the “Bankruptcy Code”).

Relief Requested

8. By this Motion, the Debtors seek entry of an order: (a) approving the Term Loan Offering Procedures, the Election Form, and the Contribution Form (each as defined herein, and

⁴ The summaries in this Motion are solely provided for the convenience of the Bankruptcy Court and parties in interest. To the extent the terms of the Backstop Agreement, Term Loan Offering Procedures, or the Amended Plan differ from those described herein, the Backstop Agreement, Term Loan Offering Procedures, and the Amended Plan shall govern.

collectively, the “Term Loan Offering Materials”) and authorizing the Debtors to adopt, as necessary, any additional detailed procedures consistent with the Term Loan Offering Procedures and timeline described herein to effectuate the Term Loan Offering; and (b) authorizing the Debtors to execute and implement the terms of the Backstop Agreement and pay certain fees and expenses in connection therewith.

Background

9. On June 27, 2011 (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. On June 28, 2011, this Court entered an order jointly administering the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases. On July 11, 2011, the United States Trustee for the District of Delaware appointed an official committee of unsecured creditors (the “Committee”) in the Chapter 11 Cases.

10. 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.

11. On March 7, 2012, the Debtors filed (a) the *Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 969] (the “March 7 Plan”), (b) the *Disclosure Statement Relating to the Second Amended Joint Plan of Reorganization of Nebraska Book Company, Inc., et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 970] (the “March 7 Disclosure Statement”), (c) the *Motion of*

Nebraska Book Company, Inc., et al., For Entry of an Order (A) Approving the Disclosure Statement; (B) Establishing the Voting Record Date, Voting Deadline, and Other Dates; (C) Approving Procedures for Soliciting, Receiving, and Tabulating Votes on the Plan and for Filing Objections to the Plan; and (D) Approving the Manner and Forms of Notice and Other Related Documents [Docket No. [974], and (d) the *Debtors' Motion for an Order Authorizing Execution and Implementation of A Plan Support Agreement* [Docket No. 967] (the "March 7 PSA").

12. On March 22, 2012, the Debtors, approximately 73% of the Senior Secured Noteholders, and over two-thirds in amount of the 8.625% Noteholders, reached an agreement on an amended plan support agreement and term sheet (the "Amended PSA"), reflecting certain modifications to the amended plan (the "Amended Plan"). On March 26, 2012, the Court entered an order approving the Amended PSA [Docket No. 1039]. The hearing to consider approval of the Disclosure Statement is set for April 13, 2012, at 10:00 a.m., prevailing Eastern Time.

Term Loan Offering Procedures and Forms

13. Pursuant to the Amended Plan and the Term Loan Offering Procedures, as soon as practicable after entry of an order approving the relief requested in this Motion (the "Term Loan Offering Record Date"), Kurtzman Carson Consultants LLC, as the Debtors' Term Loan Offering agent (the "Term Loan Offering Agent"), will distribute Election Forms to those holders of Allowed Senior Secured Notes Claims as of the Term Loan Offering Record Date.

14. Each Eligible Holder will have the right, but not the obligation, to exercise rights (the "Contribution Rights") to contribute its pro rata share (based on the amount of such Eligible

Holder's Allowed Senior Secured Notes Claim) towards the Term Loan (each such pro rata contribution, a "Pro Rata Contribution").⁵

15. To participate in the Term Loan Offering, a holder of Senior Secured Notes Claims must be an Eligible Holder. An Eligible Holder includes any holder of an Allowed Senior Secured Notes Claim that has validly completed and returned its Election Form to the Term Loan Offering Agent, so that such form is actually received by the Term Loan Offering Agent by April 30, 2012 (the "Election Form Deadline"), certifying that, as of the Term Loan Offering Record Date, it is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act. A holder that is not an accredited investor as of the Term Loan Offering Record Date, whether or not such holder validly submits its Election Form such that it is actually received by the Term Loan Offering Agent by the Election Form Deadline, will forfeit any and all Contribution Rights that it may have under the Term Loan Offering and the Amended Plan.

16. The Term Loan Offering Agent will provide by mail, electronic mail, or facsimile transmission to each Eligible Holder the Term Loan Offering Procedures and Contribution Form as soon as practicable after the Election Form Deadline. The Term Loan Offering will commence on the date the Contribution Forms are mailed to Eligible Holders and will end on the contribution expiration date (the "Contribution Expiration Date"), which will be the same date as the deadline to vote to accept or reject the Plan, provided, however, that the deadline for the

⁵ The Contribution Rights are not transferable; provided, that Backstop Participants may transfer their Contribution Rights to other Accredited Investors (each, a "Transferee"), subject to the following condition: on the date of the Permitted Transfer, the Transferee shall wire cash in the amount of their Pro Rata Contribution to the account designated by the Term Loan Offering Agent in the Contribution Form (a "Permitted Transfer"). Any attempted transfer (other than a Permitted Transfer) is null and void and the Debtors will not treat any purported transferee as the holder of any Contribution Right. Once the Eligible Holder has validly exercised its Contribution Rights, such exercise will not be permitted to be revoked, rescinded, or modified. The Contribution Rights shall not be listed or quoted on any public or over-the-counter securities exchange or quotation system.

Backstop Participants to contribute their Pro Rata Contribution pursuant to their Contribution Rights shall be the effective date of the Amended Plan (the “Backstop Contribution Date”).

17. Each Eligible Holder, excluding Backstop Participants, intending to participate in the Term Loan Offering must affirmatively elect to exercise its Contribution Rights on or before the Contribution Expiration Date. To exercise its Contribution Rights, an Eligible Holder must: (a) return a validly completed Contribution Form to the Term Loan Offering Agent, so that such Contribution Form is actually received by the Term Loan Offering Agent on or before the Contribution Expiration Date and (b) pay to the Term Loan Offering Agent on or before the Contribution Expiration Date its Pro Rata Contribution of the Term Loan pursuant to its Contribution Rights, in accordance with the payment instructions set forth on the Contribution Form.

18. Subject to the Court’s approval, if the Term Loan Offering Agent does not receive both a validly completed Contribution Form, in accordance with the instructions set forth therein, and immediately available funds from an Eligible Holder prior to the Contribution Expiration Date, such Eligible Holder will be deemed to have relinquished and waived its right to participate in the Term Loan Offering.⁶ The Debtors will not be obligated to honor any purported exercise of Contribution Rights received after the Contribution Expiration Date, regardless of when the documents relating to such exercise were sent.⁷ Also, any payment made by an Eligible Holder will be refunded.

⁶ All questions concerning the timeliness, viability, form, and eligibility of any exercise of Contribution Rights shall be determined by the Debtors in their sole discretion. Pursuant to the Term Loan Offering Procedures, the Debtors may waive any defect or irregularity, or permit a defect or irregularity to be corrected within such times as they may determine in their sole discretion, or reject the purported exercise of any Contribution Rights. Contribution Forms shall be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors determine in their sole discretion.

⁷ The payments made in accordance with the Term Loan Offering shall be deposited and held by the Term Loan Offering Agent in an escrow account. The Term Loan Offering Agent will maintain such account for the purpose of holding the money for administration of the Term Loan Offering.

19. Further, if the Debtors do not consummate the Amended Plan on or before July 13, 2012: (a) the Backstop Participants' obligation to fund their Pro Rata Contribution pursuant to their Contribution Rights under the Backstop Agreement shall terminate; and (b) as soon as reasonably practicable thereafter, the Debtors shall cause the Term Loan Offering Agent to return all of the Term Loan Offering Funds in accordance with the Term Loan Offering Procedures.

20. In short, the Term Loan Offering Procedures have been designed to efficiently transmit all materials necessary for participation in the Term Loan Offering and the Election Form and Contribution Form have been drafted to assure the clear communication of the requirements for, and to facilitate, such participation. Thus, the Term Loan Offering Materials afford such Eligible Holders a fair and reasonable opportunity to exercise Contribution Rights.

Basis for Relief

I. The Debtors Should Be Authorized to Implement the Term Loan Procedures and Enter Into the Backstop Agreement.

21. Section 363(b) of the Bankruptcy Code provides, in relevant part, that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). In the Third Circuit, courts have authorized a debtor's use of property of the estate outside the ordinary course of business when such use has a "sound business purpose" and is proposed in good faith. *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *In re Delaware & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991). Courts authorize a debtor to use property of the estate outside the ordinary course of business if the debtor can show that: (a) a sound business reason or emergency justifies the proposed use; (b) adequate and reasonable notice was provided to all interested parties; (c) the proposed use was requested in good faith;

and (d) fair and reasonable consideration is provided in exchange for the use of estate assets. *See In re Exaeris, Inc.*, 380 B.R. 741 (Bankr. D. Del. 2008); *In re Decora Indus., Inc.*, No. 00-4459, 2002 WL 32332749, at *7 (D. Del. May 20, 2002); *Hudson*, 124 B.R. at 176.

22. Once a debtor articulates a valid business justification under section 363, a presumption arises that the debtor's decision was made on an informed basis, in good faith, and in the honest belief the action was in the best interest of the company. *See In re Integrated Res., Inc.*, 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)); *see also In re Bridgeport Holdings, Inc.*, 388 B.R. 548, 567 (Bankr. D. Del. 2008). Further, once "the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp., (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). The business judgment rule has vitality in chapter 11 cases and shields a debtor's management from judicial second-guessing. *See Integrated Res.*, 147 B.R. at 656; *Johns-Manville*, 60 B.R. at 615-16 ("[T]he Code favors the continued operation of a business by a debtor and a presumption of reasonableness attaches to a debtor's management decisions"). Thus, if a debtor's actions satisfy the business judgment rule, then the transaction in question should be approved under section 363(b)(1) of the Bankruptcy Code.

23. Additionally, under section 105(a) of the Bankruptcy Code, "[t]he court may issue any order . . . that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Courts in this and other districts have relied on both sections 105(a) and 363(b) when approving a plan support agreement, finding that such relief is entirely consistent with the applicable provisions of the Bankruptcy Code. *See, e.g., In re Visteon Corp.*, Case No. 09-11786

(Bankr. D. Del. June 17, 2010) [Docket No. 3427] (order authorizing debtors to implement terms of a postpetition plan support agreement); *In re Intermet Corp.*, Case No. 08-11859 (Bankr. D. Del. June 4, 2009) [Docket No. 1063] (same); *In re Global Power Equip. Group, Inc.*, Case No. 06-11045 (Bankr. D. Del. Oct. 31, 2007) [Docket No. 1914] (same); *In re Federal-Mogul Global Inc.*, Case No. 01-10578 (Bankr. D. Del. Feb. 6, 2007) [Docket No. 11508] (same); *In re Owens Corning*, Case No. 00-03837 (Bankr. D. Del. June 29, 2006) [Docket No. 18208] (same); *see also In re Tronox Inc.*, Case No. 09-10156 (Bankr. S.D.N.Y. Dec. 23, 2009) [Docket No. 1030] (same); *In re Bally Total Fitness of Greater New York*, Case No. 08-14818 (Bankr. S.D.N.Y. July 7, 2009) [Docket No. 1231] (same); *In re Movie Gallery, Inc.*, Case No. 07-33849 (DOT) (Bankr. E.D. Va. Feb. 6, 2008) [Docket No. 1430] (same).

24. As described above, the Term Loan Offering and Backstop Agreement are necessary and important steps toward confirmation of the Amended Plan and the Debtors' emergence from chapter 11. The Term Loan Offering Materials are necessary to the successful effectuation of the Term Loan Offering and provide Eligible Holders a fair and reasonable opportunity to participate in the Term Loan Offering. To the extent that approval of the Term Loan Offering Materials are necessary to effectuate consummation of the Amended Plan—which represents the Debtors' best means of exiting chapter 11 on a timely and consensual basis—the Debtors believe that the Court's application of section 105(a) of the Bankruptcy Code here is appropriate.⁸ The Term Loan is an essential component of the deal struck between the Debtors

⁸ Section 1125(b) provides that “[a]n acceptance or rejection of a plan may not be solicited after the commencement of the case under this title . . . unless, at the time of or before such solicitation, there is transmitted . . . a written disclosure statement approved, after notice and a hearing, by the court as containing adequate information.” 11 U.S.C. § 1125(b). Here, the Rights Offering process will run in parallel to, but independently of, the solicitation process. To be clear, Rights Offering Procedures and Contribution Forms will be transmitted to holders as soon as practicable after the transmittal of the disclosure statement to Nominees. Further, all Rights Offering Materials will contain pertinent warnings urging a holder to review the Debtors' Disclosure Statement and Plan prior to making a decision with respect to the exercise of their Contribution Rights. Thus, the Rights Offering Materials are consistent with section 1125(b) of the Bankruptcy Code.

and the Senior Secured Noteholders, as the Term Loan and Backstop Commitment are part of the package of consideration offered by the Debtors to induce the Senior Secured Noteholders to equitize their secured debt and support the Amended Plan, which is why the Term Loan and Backstop Commitment were not “shopped” to the debt markets. Moreover, approval of the Backstop Agreement is required under the Amended PSA, further reflecting that the Backstop Agreement is part and parcel to the Senior Secured Noteholders’ commitment to support the Amended Plan.

25. Entering into the Backstop Agreement is also a sound exercise of the Debtors’ business judgment, as it is a condition for the provision of the Term Loan. The fees and expenses to be paid to the Backstop Participants under the Backstop Agreement, including the Commitment Fee, the Funding Fee, and the other fees and expenses, are reasonable. Moreover, The Backstop Participants have indicated to the Debtors that payment of the Commitment Fee, Funding Fee, and other fees and expenses, as well as inclusion of the indemnification provisions under the Backstop Agreement, are requirements for their entry into the Backstop Agreement and the Senior Secured Noteholders’ support of the Amended Plan.

26. The Debtors have determined in the exercise of their reasonable business judgment that their obligation to pay these fees and expenses and provide these indemnification provisions is an effective, commonplace, and necessary means to secure the Backstop Participants’ commitment and that the amounts contemplated thereby are reasonable by market standards. Indeed, courts in this and other districts have approved similar fees and expenses in connection with equity or debt commitments as a reasonable use of assets in other recent chapter 11 cases. *See e.g., In re Visteon Corp.*, Case No. 09-11786 (Bankr. D. Del. June 17, 2010) [Docket No. 3427] (approving commitment fee equal to 5.0% of the rights offering amount,

expense reimbursement, and similar indemnification language); *In re Cooper-Standard Holdings Inc.*, No. 09-12743 (Bankr. D. Del. Mar. 26, 2010) (approving a commitment fee equal to 3.5% of the rights offering amount, expense reimbursement, and indemnification); *In re Spansion Inc.*, No. 09-10690 (Bankr. D. Del. Jan. 7, 2010) (approving a success fee of 4.1% of the backstop commitment amount and indemnification); *In re Hayes Lemmerz Int'l, Inc.*, No. 09-11655 (Bankr. D. Del. Nov. 3, 2009) (approving commitment fee of 3.0%); *In re RathGibson, Inc.*, No. 09-12452 (Bankr. D. Del. Sept. 2, 2009) (authorizing a commitment fee of 5.0% paid in new common shares); *In re Magnachip Semiconductor Fin. Co.*, No. 09-12008 (Bankr. D. Del. Aug. 2, 2009) (approving commitment fee of 10.0% paid in new common units); *In re Landsource Cmtys. Dev. LLC*, No. 08-11111 (Bankr. D. Del. June 2, 2009) (approving a commitment fee equal to 5.0% of the rights offering amount and expense reimbursement); *In re Motor Coach Indus. Int'l, Inc.*, No. 08-12136 (Bankr. D. Del. Oct. 29, 2008) (authorizing a commitment fee of 5.0% paid in preferred stock); *In re Dura Auto. Sys., Inc.*, No. 06-11202 (Bankr. D. Del. Aug. 17, 2007) (approving a commitment fee equal to 4.0% of the rights offering amount); *In re Delphi Corp.*, No. 05-44481 (Bankr. S.D.N.Y. Aug. 2, 2007) (approving total commitment fee of 2.5% and expense reimbursement capped at \$5.0 million); *In re Bally Total Fitness of Greater NY Inc.*, No. 07-12395 (Bankr. S.D.N.Y. Aug. 1, 2007) (approving a commitment fee equal to 4.0% of the rights offering amount and expense reimbursement capped at \$5.0 million); *In re J.L. French Auto. Castings, Inc.*, No. 06-10119 (Bankr. D. Del. Mar. 29, 2006) (approving a commitment fee equal to 3.0% of the backstop commitment) (where applicable, commitment fees stated in dollars in the corresponding court filings have been converted to percentages for presentation purposes here).⁹ Also, as applied in the cases cited here, courts regularly grant debtors authority pursuant

⁹ Because of the voluminous nature of the orders cited herein, such orders are not attached to the motion. Copies of these orders are available upon request of the Debtors' counsel.

to section 363(b) of the Bankruptcy Code to enter into agreements similar to the Backstop Agreement.

27. Accordingly, the Debtors submit it is appropriate and in their estates' best interests for the Court to authorize them to (a) approve the Term Loan Offering Materials and (b) enter into the Backstop Agreement and perform their obligations thereunder.

Waiver of Bankruptcy Rule 6004(h)

28. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property...is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). However, a court may waive this stay period if a sufficient business reason exists to do so. *See e.g., In re Boscov's, Inc.*, No. 08-11637, 2008 WL 4975882, at 2 (Bankr. D. Del. Nov. 21, 2008) (court may reduce or waive the stay period to accommodate a sufficient business need). Timing is of the essence in the execution of the Term Loan Offering Materials. Accordingly, it is essential to the execution of the Amended Plan that the steps necessary to implement the Term Loan Offering be taken promptly upon approval of this motion, in conjunction with approval of the Backstop Agreement. Thus, ample cause exists here to justify a waiver of the stay imposed by Bankruptcy Rule 6004(h).

Notice

29. The Debtors have provided notice of this Motion to: (a) the Office of the U.S. Trustee for the District of Delaware; (b) counsel to the Committee; (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) The Bank of New York Mellon N.A., as successor indenture trustee under the Debtors' 8.625% senior subordinated notes; (f) US Bank National Association,

as indenture trustee under the Debtors' 11% senior discount notes; (g) counsel to the Ad Hoc 8.625% Noteholders; (h) counsel to J.P. Morgan Investment Management Inc., in its capacity as a holder of the Debtors' 8.625% senior subordinated notes and 11% senior discount notes; and (i) 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.

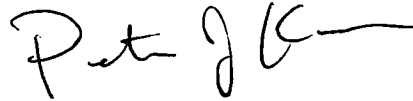
No Prior Request

30. No prior request for the relief sought in this Motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other and further relief as is just and proper.

Wilmington, Delaware
Dated: March 27, 2012

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EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
NEBRASKA BOOK COMPANY, INC., <i>et al.</i> , ¹	)	Case No. 11-12005 (PJW)
)	
Debtors.	)	Jointly Administered
	)	Related Docket No. _____

**ORDER APPROVING (A) CERTAIN TERM LOAN OFFERING PROCEDURES AND
FORMS IN CONNECTION THEREWITH AND (B) ENTRY INTO A BACKSTOP
AGREEMENT AND PAYMENT OF CERTAIN FEES IN CONNECTION THEREWITH**

Upon the motion (the "Motion")² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order"), (a) approving the Term Loan Offering Procedures and forms in connection therewith and (b) authorizing the Debtors to execute and implement the terms of the Backstop Agreement and pay certain fees and expenses in connection therewith; all as set forth more fully in the Motion; and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and the Debtors having provided appropriate notice under the circumstances of the Motion and the opportunity for a hearing on the Motion, and that no other or further notice 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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

required; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The terms and conditions set forth in the Backstop Agreement are approved.
3. The Debtors and the Backstop Participants are authorized to execute and perform under the Backstop Agreement and are further authorized to enter into amendments to the Backstop Agreement in accordance with the terms of and subject to the terms and conditions of the Backstop Agreement.
4. The Term Loan Offering Procedures attached hereto as **Exhibit 1** are approved.
5. The Election Form attached hereto as **Exhibit 2** is approved.
6. The Contribution Form attached hereto as **Exhibit 3** is approved.
7. The Term Loan Offering Record Date shall be the date as soon as practicable after entry of this Order.
8. The Contribution Expiration Date shall be the same as the deadline to vote to accept or reject the Amended Plan.
9. The Debtors may modify the Term Loan Offering Procedures or adopt any additional detailed procedures consistent with the provisions of the Amended Plan and the Term Loan Offering Procedures to more efficiently administer the Term Loan Offering.
10. All questions concerning the timeliness, viability, form, and eligibility of any exercise of Contribution Rights shall be determined by the Debtors in their sole discretion. Pursuant to the Term Loan Offering Procedures, the Debtors may waive any defect or

irregularity, or permit a defect or irregularity to be corrected within such times as they may determine in their sole discretion, or reject the purported exercise of any Contribution Rights. Contribution Forms shall be deemed not to have been received or accepted until all irregularities have been waived or cured within such time as the Debtors determine in their sole discretion.

11. The fees and expenses contemplated to be paid by the Debtors pursuant to the Backstop Agreement, including the Commitment Fee, Funding Fee, and the other fees and expenses, are hereby approved as reasonable, and, except as expressly provided in the Backstop Agreement, shall not be subject to any avoidance, reduction, setoff, recoupment, recharacterization, subordination (whether contractual, equitable, or otherwise), counterclaims, cross-claims, defenses, disallowances, impairment, or any other challenges under applicable law or regulation by any person or entity.

12. The Debtors are authorized to pay the Commitment Fee, Funding Fee, and other fees and expenses in accordance with the terms of the Backstop Agreement.

13. The Debtors are authorized to provide and perform the indemnities set forth in the Backstop Agreement in accordance with the terms and conditions thereof.

14. All time periods set forth in this Order, the Plan Support Agreement, and the Backstop Agreement shall be calculated in accordance with Bankruptcy Rule 9006(a).

15. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion and such actions shall not constitute a solicitation of acceptances or rejections of a plan pursuant to section 1125 of the Bankruptcy Code.

16. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

17. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Date: _____, 2012
Wilmington, Delaware

THE HONORABLE PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

The Term Loan Offering Procedures

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
NEBRASKA BOOK COMPANY, INC., <i>et al.</i> , ¹	)	Case No. 11-12005 (PJW)
)	
Debtors.	)	Jointly Administered
)	

TERM LOAN OFFERING PROCEDURES

On April [], 2012, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered (a) the *Order (A) Approving the Disclosure Statement; (B) Establishing the Voting Record Date, Voting Deadline, and Other Dates; (C) Approving Procedures for Soliciting, Receiving, and Tabulating Votes on the Plan and for Filing Objections to the Plan; and (D) Approving the Manner and Forms of Notice and Other Related Documents* [Docket No. [] (the “Disclosure Statement Order”) that, among other things, (i) approved the adequacy of the *Disclosure Statement Related to the Second Amended Joint Plan of Reorganization of Nebraska Book Company, Inc., et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 970] (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”) filed in support of the *Second Amended Joint Plan of Reorganization of Nebraska Book Company, Inc., et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 969] (as amended from time to time and including all exhibits thereto, the “Plan”) and (ii) authorized the above-captioned debtors and debtors in possession (the “Debtors”) to solicit acceptances or rejections of the Plan from holders of Impaired Claims who are (or may be) entitled to receive distributions under the Plan;² and (i) the *Order Approving (A) Certain Term Loan Offering Procedures and Forms in Connection Therewith and (B) Entry into a Backstop Agreement and Payment of Certain Fees in Connection Therewith* (the “Term Loan Offering Order”), authorizing the Debtors to (ii) implement Term Loan Offering Procedures and forms in connection therewith, and (b) execute and implement the terms of that certain backstop agreement

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 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan or the Disclosure Statement, as applicable. Copies of the Plan and the Disclosure Statement may be obtained by: (i) accessing the Debtors’ restructuring website at <http://www.kccllc.net/nbc>; (ii) writing to Nebraska Book Company, Inc., c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245; or (iii) calling the Debtors’ restructuring hotline at (866) 967-0260 within the U.S. or Canada or, outside of the U.S. or Canada, (310) 751-2660.

(the "Backstop Agreement"), dated as of March 27, 2012, between the Debtors and the holders of Senior Secured Notes (as defined herein) party thereto (collectively, the "Backstop Participants"), and pay certain fees and expenses in connection therewith.

In accordance with the Plan, the Debtors are effectuating an offering (the "Term Loan Offering") of rights (the "Contribution Rights") to contribute cash toward the \$80 million New Money First Lien Term Loan (the "Term Loan"), to holders of the senior secured notes due 2011 (the "Senior Secured Notes") that have validly completed and returned the Indication of Accredited Investor Status (the "Election Form") certifying that as of the date as soon as practicable following entry of an order approving the Term Loan Offering Procedures (the "Term Loan Offering Record Date") they are Eligible Holders. Each Eligible Holder's Pro Rata share of Contribution Rights shall be calculated as the proportion that an Eligible Holder's Allowed Senior Secured Notes Claim bears to the aggregate of all Allowed Senior Secured Notes Claims as of the Term Loan Offering Record Date (the "Pro Rata Contribution").

The Election Form – Indication of Accredited Investor Status

As soon as practicable following entry of the Term Loan Offering Order, holders of Senior Secured Notes will be mailed Election Forms to determine whether or not they are Eligible Holders. All holders that properly deliver a validly completed Election Form to the Term Loan Offering Agent (as defined herein) so as to be received on or before 5:00 p.m., prevailing Eastern Time, on April 30, 2012 (the "Election Form Deadline") shall, in the case of holders who certify that they are Eligible Holders as of the Term Loan Offering Record Date, be permitted to participate in the Term Loan Offering and will be mailed these Term Loan Offering Procedures and the Contribution Form (as defined herein) (collectively, the "Term Loan Offering Documents") as soon as practicable after the Election Form Deadline.

An Eligible Holder wishing to participate in the Term Loan Offering must follow the directions of the Election Form and the Term Loan Offering Documents with respect to timely and validly completing and returning the Election Form and the Contribution Form. The delivery of (i) the Election Form, (ii) the Contribution Form, and (iii) immediately available funds from an Eligible Holder is at such holder's risk and delivery will be deemed made only when received by the Term Loan Offering Agent. Once an Eligible Holder has properly delivered its Contribution Form, such exercise cannot be revoked, rescinded, or modified.

A holder that does not follow the required procedures under the Election Form and submit its Election Form to the Term Loan Offering Agent so that it is **actually received** by the Election Form Deadline will not be deemed an Eligible Holder and will forfeit any and all Contribution Rights.

The Contribution Form

As soon as practicable after the Election Form Deadline, the Term Loan Offering Agent will provide by mail, electronic mail, or facsimile transmission to such Eligible

Holder a form (the "Contribution Form") to allow such Eligible Holder to exercise its Contribution Rights. The Contribution Rights shall not be listed or quoted on any public or over-the-counter exchange or quotation system. No fractional Contribution Rights will be issued, and all such fractional Contribution Rights will be rounded down to the nearest whole number.

Before exercising any Contribution Rights, Eligible Holders should read the Plan and the Disclosure Statement, including the section entitled "Risk Factors" and the section regarding the valuation of the Reorganized Debtors contained therein.

1. Commencement/Expiration of the Term Loan Offering

The Term Loan Offering shall commence for each Eligible Holder upon such Eligible Holder's receipt of the Contribution Form and shall expire at 5:00 p.m., prevailing Eastern Time, on May 21, 2012 (the "Contribution Expiration Date"), or such later date as the Debtors may specify in their sole discretion, provided, however, that the deadline for the Backstop Participants to contribute their Pro Rata Contribution pursuant to their Contribution Rights shall be the effective date of the Plan (the "Backstop Contribution Date").

2. Exercise of Contribution Rights

To exercise its Contribution Rights, Eligible Holders other than the Backstop Participants must: (a) return a validly completed Contribution Form to Kurtzman Carson Consultants LLC (the "Term Loan Offering Agent") so that such Contribution Form is **actually received** by the Term Loan Offering Agent on or before the Contribution Expiration Date and (b) pay to the Term Loan Offering Agent on or before the Contribution Expiration Date an amount in accordance with the payment instructions set forth on the Contribution Form. Once an Eligible Holder has properly delivered its Contribution Form, such exercise cannot be revoked, rescinded, or modified.

If the Term Loan Offering Agent for any reason does not receive on or prior to the Contribution Expiration Date both a validly completed Contribution Form and immediately available funds as set forth above from an Eligible Holder, such Eligible Holder shall be deemed to have relinquished and waived its right to participate in the Term Loan Offering, subject to possible waiver in accordance with "Disputes, Waivers, and Extensions" below. The Debtors shall not be obligated to honor any purported exercise of Contribution Rights received by the Term Loan Offering Agent after the Contribution Expiration Date, regardless of when the documents relating to such exercise were sent, provided, however, that Backstop Participants may submit their Pro Rata Contributions up until the Backstop Contribution Date. In addition, the Backstop Participants' obligation to fund their Pro Rata Contribution pursuant to their Contribution Rights under the Backstop Agreement shall terminate as of July 13, 2012.

As soon as practicable following the Contribution Expiration Date, the Debtors shall deliver, or cause to be delivered, to each Eligible Holder that has exercised Contribution Rights, a written statement confirming the Eligible Holder's aggregate

contribution in connection with the exercise of its Contribution Rights. As soon as practicable following the Contribution Expiration Date, the Term Loan Offering Agent shall remit to any Eligible Holder that has overpaid pursuant to its exercised Contribution Rights, the amount of such overpayment by wire transfer of immediately available funds.

Term Loan Offering Funds

The payments made in accordance with the Term Loan Offering (the “Term Loan Offering Funds”) shall be deposited and held in escrow pending the Effective Date in a trust account or accounts administered by the Term Loan Offering Agent, which (a) shall not constitute property of the Debtors or the Debtors’ estates until the Effective Date, (b) shall be separate and apart from the Term Loan Offering Agent’s general operating funds and any other funds subject to any lien or any cash collateral arrangements, and (c) will be maintained for the purpose of holding the funds for administration of the Term Loan Offering until, subject to the other provisions of this paragraph, the Effective Date if the Term Loan Offering Option is consummated. The Term Loan Offering Agent shall not use the Term Loan Offering Funds for any purpose other than to release the funds as directed by the Debtors on the Effective Date (or such other later date at the option of the Reorganized Debtors or as otherwise provided herein) and shall not encumber or permit the Term Loan Offering Funds to be encumbered by any lien or similar encumbrance; provided, however, that the Term Loan Offering Funds shall only be released to the reorganized Debtors or any of its affiliates upon the occurrence of the Effective Date.

If the Debtors do not consummate the Plan on or before July 13, 2012, as soon as reasonably practicable thereafter, the Debtors shall cause the Term Loan Offering Agent to return all of the Term Loan Offering Funds (together with any interest or other income earned thereon, if any, and net of any fees and costs incurred by the Term Loan Offering Agent in connection with such refund) by wire transfer of immediately available funds to the Eligible Holders; provided, however, that the Term Loan Offering Agent shall not have any obligation to hold such funds in an account that earns interest or other income.

Disputes, Waivers, and Extensions

Any and all disputes concerning the timeliness, viability, form, and eligibility of any exercise of Contribution Rights shall be addressed in good faith by the Debtors in their sole discretion and, if necessary, subject to a final and binding determination by the Bankruptcy Court. The Debtors in their sole discretion may seek to waive any defect or irregularity, or permit a defect or irregularity to be cured, within such times as they may determine in good faith to be appropriate, or reject the purported exercise of any Contribution Rights. Contribution instructions shall be deemed not to have been properly completed until all irregularities have been waived or cured within such time as the Debtors determine in their sole discretion.

Modifications

The Debtors may modify these Term Loan Offering Procedures or adopt such additional detailed procedures consistent with the provisions of these Term Loan Offering Procedures to more efficiently administer the exercise of the Contribution Rights; provided, however, that the Debtors shall provide prompt written notice by mail, electronic mail, or facsimile transmission to the Eligible Holders of any material modification to these Term Loan Offering Procedures made after the commencement of the Term Loan Offering, provided further, however, that the Debtors may not modify the Term Loan Offering Procedures in a manner adverse to any Eligible Holder after such Eligible Holder has submitted its Contribution Form to the Term Loan Offering Agent, in accordance with this Section 2.

Waiver and Release

Upon the Effective Date, each Eligible Holder that participates in the Term Loan Offering shall be deemed by virtue of such participation to have waived and released to the fullest extent permitted under applicable law all rights, Claims, or causes of action against the Released Parties arising out of or related to the receipt, delivery, disbursements, calculations, transmission, or segregation of cash, and Contribution Rights, in connection with the Term Loan Offering, except to the extent such claims arise from gross negligence or willful misconduct.

3. Term Loan Offering Information

No later than the fifth (5th) Business Day following the date on which the Contribution Expiration Date occurs (the “Determination Date”), the Debtors shall deliver to each Eligible Holder a written report of (i) the amount of contributions pursuant to each Eligible Holder’s Contribution Rights, and (ii) if applicable, the remaining unfunded amount of the Term Loan (the “Term Loan Offering Results”).

4. Transfer Restrictions; Revocation

The Contribution Rights are not transferable; provided, that Backstop Participants may transfer their Contribution Rights to other Accredited Investors (each, a “Transferee”), subject to the following condition: on the date of the Permitted Transfer, the Transferee shall wire cash in the amount of their Pro Rata Contribution to the account designated by the Term Loan Offering Agent in the Contribution Form (a “Permitted Transfer”). Any attempted transfer (other than a Permitted Transfer) is null and void and the Debtors will not treat any purported transferee as the holder of any Contribution Right. Once the Eligible Holder has validly exercised its Contribution Rights, such exercise will not be permitted to be revoked, rescinded, or modified.

5. Inquiries and Transmittal of Documents; Term Loan Offering Agent

The exercise instructions contained in the Contribution Form should be carefully read and strictly followed.

Questions relating to the Term Loan Offering should be directed to the Term Loan Offering Agent at the following contact information: Kurtzman Carson Consultants LLC, 599 Lexington Avenue, 39th Floor, New York, NY 10022, Attn.: Nebraska Book Company Processing, or by telephone at (877) 833-4150.

Eligible Holders electing to exercise their Contribution Rights bear all of the risk of non-delivery of all documents and payments. The Debtors and the Term Loan Offering Agent bear no such risks.

EXHIBIT 2

The Election Form

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
NEBRASKA BOOK COMPANY, INC., <i>et al.</i> , ¹	)	Case No. 11-12005 (PJW)
)	
Debtors.	)	Jointly Administered
)	

INDICATION OF ACCREDITED INVESTOR STATUS

IF YOU WISH TO PARTICIPATE IN THE TERM LOAN OFFERING UNDER THE PLAN, THIS INDICATION OF ACCREDITED INVESTOR STATUS (THE "ELECTION FORM") MUST BE COMPLETED, EXECUTED, AND RETURNED TO KURTZMAN CARSON CONSULTANTS LLC (THE "TERM LOAN OFFERING AGENT") SO THAT IT IS ACTUALLY RECEIVED PRIOR TO 5:00 P.M., PREVAILING EASTERN TIME, ON APRIL 30, 2012 (THE "ELECTION FORM DEADLINE").² PLEASE READ THE INSTRUCTIONS SET FORTH HEREIN CAREFULLY WHEN COMPLETING THIS ELECTION FORM.

On March 7, 2012, the above-captioned debtors and debtors in possession (collectively, the "Debtors"), filed the *Disclosure Statement Related to the Second Amended Joint Plan of Reorganization of Nebraska Book Company, Inc., et al, Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 970] (as amended from time to time and including all exhibits and supplements thereto, the "Disclosure Statement") and the *Second Amended Joint Plan of Reorganization of Nebraska Book Company, Inc., et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 969] (as amended from time to time and including all exhibits thereto, the "Plan").

The Plan provides that holders of senior secured notes due 2011 (the "Senior Secured Notes") that are Accredited Investors, as defined below, as of the date as soon as practicable following entry of an order approving the Term Loan Offering Procedures (the "Term Loan Offering Record Date") (for the purpose of this Election Form, each an "Eligible Holder"), have the right, but not the obligation, to exercise rights (the "Contribution Rights") to contribute their pro rata share (based on the amount of each such Eligible Holder's Allowed Senior Secured Notes Claim) towards the \$80 million first lien term loan (the "Term Loan Offering") (each such pro rata contribution, a "Pro Rata Contribution"). Completion, execution, and delivery of the Election Form by the Election Form Deadline is necessary to determine if such holder is or is not an Eligible Holder. As soon as practicable following the Election Form Deadline, an Eligible Holder will receive a contribution form entitling such Eligible Holder to exercise its Contribution Rights to participate in the Term Loan Offering (the "Contribution Form"). (**Note:** any such Eligible Holder (excluding the Backstop Participants, who may submit their Contribution Form up to and including the Backstop Contribution Date) will only have until the Contribution Expiration Date to submit its Contribution Form, in accordance with the Term Loan Offering Procedures, to participate in the Term Loan Offering, or will otherwise forfeit their Contribution Rights entirely.)

YOU HAVE RECEIVED THIS ELECTION FORM BECAUSE YOUR NOMINEE'S RECORDS INDICATE THAT YOU ARE A HOLDER OF SENIOR SECURED NOTES (CUSIP 639579 AJ 0) AS OF

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 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Term Loan Offering Procedures, the Plan, or the Disclosure Statement, as applicable.

THE TERM LOAN OFFERING RECORD DATE.³ ELIGIBLE HOLDERS OF SENIOR SECURED NOTES THAT WISH TO PARTICIPATE IN THE TERM LOAN OFFERING MUST COMPLETE AND RETURN THIS ELECTION FORM, INCLUDING THE CONFIRMATION OF OWNERSHIP FORM ATTACHED HERETO, SO THAT IT IS ACTUALLY RECEIVED BY THE TERM LOAN OFFERING AGENT BY 5:00 P.M., PREVAILING EASTERN TIME, ON APRIL 30, 2012, TO THE FOLLOWING ADDRESS:

By Registered, Certified, or Express Mail, Overnight Courier, or Electronic Mail:

Nebraska Book Company, Inc.
c/o Kurtzman Carson Consultants LLC
599 Lexington Avenue, 39th Floor
New York, NY 10022
E-mail: NebraskaBookInfo@kccllc.com

DELIVERY OF THIS ELECTION FORM TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY.

This letter is not an offer with respect to the Term Loan and does not create any obligations whatsoever on the part of the Debtors or the recipient of this Election Form.

If you have any questions about this Election Form or the procedures described herein, you may contact the Debtors' Term Loan Offering Agent, Kurtzman Carson Consultants LLC, by (a) writing to Nebraska Book Company, Inc., c/o Kurtzman Carson Consultants LLC, 599 Lexington Avenue, 39th Floor, New York, NY 10022 or (b) calling the Debtors' restructuring hotline at (877) 833-4150.

IF YOU WISH TO PARTICIPATE IN THE TERM LOAN OFFERING, PLEASE COMPLETE, SIGN, AND DATE THIS ELECTION FORM AND RETURN IT TO THE TERM LOAN OFFERING AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE TERM LOAN OFFERING AGENT NO LATER THAN 5:00 P.M., PREVAILING EASTERN TIME, ON APRIL 30, 2012. ANY NON-CERTIFYING HOLDERS OF SENIOR SECURED NOTES WILL NOT BE PERMITTED TO PARTICIPATE IN THE TERM LOAN OFFERING.

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³ A "Nominee" is any broker, dealer, commercial bank, trust company, savings and loan, financial institution, or other party in whose name securities are registered or held of record on behalf of a Beneficial Holder. A "Beneficial Holder" is a beneficial owner of Senior Secured Notes as reflected in the records maintained by the Nominee holding such securities through The Depository Trust Company ("DTC") or other relevant security depository and/or the applicable indenture trustee.

ACCREDITED INVESTOR

As described above, your ability to participate in the Term Loan Offering under the Plan depends upon whether you are or are not an Accredited Investor, i.e., whether you are or are not an Eligible Holder.

An “Accredited Investor” is any person or entity that falls within any of the following categories:

- i. any bank as defined in Section 3(a)(2) of the Securities Act of 1933 (the “Act”), or any savings and loan association or other institution as defined in Section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, as amended; any insurance company as defined in Section 2(a)(13) of the Act; any investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000, or, if a self directed plan, with investment decisions made solely by persons that are accredited investors;
- ii. any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- iii. any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- iv. any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- v. any natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of his purchase exceeds \$1,000,000;
- vi. any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- vii. any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii); and
- viii. any entity in which all of the equity owners are accredited investors.

ACCREDITED INVESTOR STATUS

In order to elect to receive a Contribution Form to participate in the Term Loan Offering, you must certify by checking the box below that you are an Accredited Investor, i.e., that you are an Eligible Holder.

- By checking this box, I certify that I AM an Accredited Investor**
- By checking this box, I certify that I am NOT an Accredited Investor**

CERTIFICATION

IN WITNESS WHEREOF, the undersigned has executed this Election Form on the date set forth below and confirms that this Election Form: (i) contains accurate representations with respect to the undersigned holder of Senior Secured Notes and (ii) is a certification to the Debtors and the Bankruptcy Court.

YOUR RECEIPT OF THIS ELECTION FORM DOES NOT SIGNIFY THAT YOUR CLAIM HAS BEEN OR WILL BE ALLOWED OR THAT YOU ARE OR ARE NOT AN ELIGIBLE HOLDER.

Name of Creditor (Print or Type): _____

Signature: _____

Print Name: _____

Title: _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number: () _____

Email Address: _____

Date Completed: _____

PRINT CLEARLY. THIS INFORMATION WILL BE USED TO SEND YOU IMPORTANT INFORMATION ABOUT THE TERM LOAN OFFERING.

Aggregate principal amount of Senior Secured Notes held as of the Term Loan Offering Record Date:

Senior Secured Notes _____

NOMINEE'S CONFIRMATION OF OWNERSHIP

Your ownership of Senior Secured Notes must be confirmed to participate in the Term Loan Offering.

The Nominee holding your Senior Secured Notes as of the Term Loan Offering Record Date must complete Box A on your behalf. Box B is only required if any or all of your Senior Secured Notes were on loan as of the Term Loan Offering Record Date (as determined by your Nominee).

Box A
For Use Only by the Nominee
DTC Participant Name: _____
DTC Participant Number: _____
Principal Amount of Senior Secured Notes (CUSIP 639579 AJ 0) held by this account as of the Term Loan Offering Record Date:
_____ principal amount of Senior Secured Notes
Medallion Guarantee:
Nominee contact name and telephone number:
Contact name: _____
Contact telephone number: _____

Box B
Nominee Proxy - Only if Needed
DTC Participant Name: _____
DTC Participant Number: _____
Principal Amount of Senior Secured Notes (CUSIP 639579 AJ 0) held on behalf of, and hereby assigned to, the Nominee listed above in Box A as of the Term Loan Offering Record Date:
_____ principal amount of Senior Secured Notes
Medallion Guarantee:
Nominee contact name and telephone number:
Contact name: _____
Contact telephone number: _____

EXHIBIT 3
Contribution Form

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
NEBRASKA BOOK COMPANY, INC., <i>et al.</i> , ¹	)	Case No. 11-12005 (PJW)
Debtors.	)	Jointly Administered
)	

INSTRUCTIONS TO CONTRIBUTION FORM

ALL CONTRIBUTION FORMS AND RELATED PAYMENTS MUST BE RECEIVED BY THE TERM LOAN OFFERING AGENT NO LATER THAN 4:00 P.M., PREVAILING EASTERN TIME, ON MAY 21, 2012 (THE “CONTRIBUTION EXPIRATION DATE”).

To Eligible Holders:

On March 7, 2012, the above-captioned debtors and debtors in possession (collectively, the “Debtors”), filed the *Disclosure Statement Related to the Second Amended Joint Plan of Reorganization of Nebraska Book Company, Inc., et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 970] (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”) and the *Second Amended Joint Plan of Reorganization of Nebraska Book Company, Inc., et al., Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 969] (as amended from time to time and including all exhibits thereto, the “Plan”). Pursuant to the Plan, each Eligible Holder of Senior Secured Notes has been offered the right, but not the obligation, to exercise rights (the “Contribution Rights”) to contribute its pro rata share (based on the amount of such Eligible Holder’s Allowed Senior Secured Notes Claim) towards the Term Loan (each such pro rata contribution, a “Pro Rata Contribution”).² For a complete description of the Term Loan Offering, see the accompanying Term Loan Offering Procedures (the “Term Loan Offering Procedures”).

You have received the attached Contribution Form because you have certified, by satisfying the requirements contained in the Election Form, that you are a holder of Senior Secured Notes and that you are an Accredited Investor (an “Eligible Holder”).³ To participate in the Term Loan Offering, you must validly complete and return the attached Contribution Form, together with your full payment in immediately available funds for your Pro Rata Contribution of the Term Loan pursuant to your Contribution Rights, by wire transfer, to Kurtzman Carson Consultants LLC (the “Term Loan Offering Agent”), 599 Lexington Avenue, 39th Floor, New York, NY 10022, on or before the Contribution

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 Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Term Loan Offering Procedures, the Plan, or the Disclosure Statement, as applicable.

³ “Accredited Investor” is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 (the “Securities Act”). See 17 C.F.R. § 230.501.

Expiration Date set forth above, as more fully set forth in the Term Loan Offering Procedures, provided, however, that if you are a Backstop Participant, you may submit your Contribution Form up to and including the effective date of the Plan (the "Backstop Contribution Date").

Payment must be made by wire transfer to the following account:

[] Bank
[Address]
Routing Number: []
Account Number: []
Special Instructions: Include this number in your wire memo: [merge field with unique number]

The payments made in accordance with the Term Loan Offering will be deposited and held by the Term Loan Offering Agent in a trust account. The account will be maintained by the Term Loan Offering Agent for the purpose of holding the money for the administration of the Term Loan Offering until the Effective Date if the Term Loan Offering is consummated. The Term Loan Offering Agent will not use such funds for any other purpose prior to such date and shall not encumber or permit such funds to be encumbered with any lien or similar encumbrance. If the Debtors do not consummate the Plan on or before July 13, 2012, as soon as reasonably practicable thereafter, the Debtors shall cause the Term Loan Offering Agent to return all of the Term Loan Offering Funds by wire transfer of immediately available funds to the Eligible Holders.

No interest will be paid to any holder exercising Contribution Rights on account of amounts paid in connection with such exercise, except as may be provided for pursuant to the Term Loan Offering Procedures.

Questions. If you have any questions about this Contribution Form or the exercise procedures described herein, please contact the Term Loan Offering Agent at (877) 833-4150.

The Term Loan Offering Agent must actually receive your Contribution Form and wire transfer payment of immediately available funds on or before the Contribution Expiration Date or you will be deemed to have relinquished and waived your right to participate in the Term Loan Offering. The Debtors shall not be obligated to honor any purported exercise of Contribution Rights received by the Term Loan Offering Agent after the Contribution Expiration Date, regardless of when the documents relating to such exercise were sent.

To contribute your Pro Rata Contribution pursuant to the Term Loan Offering:

1. **Insert** the principal amount of Senior Secured Notes you hold in Item 1.
2. **Complete** the calculation in Item 2a.
3. **Insert** the amount you wish to contribute, up to your Pro Rata Contribution, in Item 2b.
4. **Read and Complete** the certification in Item 3.
5. **Return the Contribution Form** to the Term Loan Offering Agent on or before the Contribution Expiration Date to Kurtzman Carson Consultants LLC, 599 Lexington Avenue, 39th Floor, New York, NY 10022, Attn.: Nebraska Book Company Processing.
6. **Deliver the Full Payment for the Rights Exercised** to the Term Loan Offering Agent on or before the Contribution Expiration Date to the account listed above.

BEFORE EXERCISING ANY CONTRIBUTION RIGHTS, YOU SHOULD READ THE PLAN AND THE DISCLOSURE STATEMENT, INCLUDING THE SECTION ENTITLED "RISKS

FACTORS” AND THE VALUATION OF THE REORGANIZED DEBTORS SET FORTH IN ARTICLE X OF THE DISCLOSURE STATEMENT.

The Debtors may modify the Term Loan Offering Procedures or adopt such additional detailed procedures consistent with the provisions of the Term Loan Offering Procedures to more efficiently administer the exercise of the Contribution Rights; provided, however, that the Debtors shall provide prompt written notice to the Eligible Holders of any material modification to the Term Loan Offering Procedures made after the commencement of the Term Loan Offering, provided further, however, that the Debtors may not modify the Term Loan Offering Procedures in a manner adverse to any Eligible Holder after such Eligible Holder has submitted its Contribution Form to the Term Loan Offering Agent.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
NEBRASKA BOOK COMPANY, INC., <i>et al.</i> , ¹	)	Case No. 11-12005 (PJW)
)	
Debtors.	)	Jointly Administered
)	

**CONTRIBUTION FORM FOR TERM LOAN OFFERING
IN CONNECTION WITH DEBTORS' SECOND AMENDED JOINT PLAN OF
REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

<p><u>EXPIRATION DATE</u></p> <p>THE CONTRIBUTION EXPIRATION DATE IS <u>4:00 P.M., PREVAILING EASTERN TIME, ON MAY 21, 2012.</u> PLEASE LEAVE SUFFICIENT TIME FOR YOUR CONTRIBUTION FORM TO REACH THE RIGHTS OFFERING AGENT.</p>
--

<p>PLEASE CONSULT THE TERM LOAN OFFERING PROCEDURES FOR ADDITIONAL INFORMATION WITH RESPECT TO THIS CONTRIBUTION FORM.</p>

Item 1. Amount of Senior Secured Notes. I certify that the amount listed below is the true and correct principal amount of the Senior Secured Notes held by me or by the beneficial owner for which I am the authorized signatory as of the Term Loan Offering Record Date.

\$ _____

Item 2. Contribution Rights. Pursuant to the Plan and the accompanying Term Loan Offering Procedures, each Eligible Holder is entitled to participate in the Term Loan Offering. To contribute, fill out Items 2a, 2b, and 2c below and read and complete Item 3 below.

2a. Calculation of the Pro Rata Contribution. The factor in Item 2(a) converts your principal amount listed in Item 1. into the Pro Rata Contribution, which is the maximum amount for which you may contribute pursuant to your Allowed Senior Secured Notes Claim. For this purpose, your principal amount is adjusted by a factor that incorporates the Allowed Senior Secured Notes Claim, as it relates to the aggregate of all Allowed Senior Secured Notes Claims. The Pro Rata Contribution is calculated as follows:

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.

_____ (Insert Principal Amount from Item 1)	X	.4 (Factor)	=	_____ (Pro Rata Contribution - Round Down to Nearest Whole Number)
--	---	----------------	---	---

2b. Exercise Amount. By filling in the following blank, you are indicating that you are interested in contributing the amount, specified below, to the Term Loan Offering (specify an amount not greater than the Pro Rata Contribution calculated above), on the terms of and subject to the conditions set forth in the Term Loan Offering Procedures.

\$ _____
(Indicate Amount You Wish to Contribute, Up to Pro Rata Contribution)

Payment in full for the amount you have elected to contribute pursuant to your Contribution Rights must be delivered to the Term Loan Offering Agent so that it is received by the Term Loan Offering Agent on or before the Contribution Expiration Date. Any failure to timely pay for the exercise of Contribution Rights will result in a revocation and relinquishment of such Contribution Rights. If the Debtors do not consummate the Plan on or before July 13, 2012, as soon as reasonably practicable thereafter, the Debtors shall cause the Term Loan Offering Agent to return all of the Term Loan Offering Funds by wire transfer of immediately available funds to the Eligible Holders.

Item 3. Certification. I certify that (i) I am the holder, or the authorized signatory of the holder, of the amount of Senior Secured Notes listed under Item 1 above, (ii) I have received a copy of the Plan, the Disclosure Statement, and the Term Loan Offering Procedures, and (iii) I understand that the exercise of rights is subject to all of the terms and conditions set forth in the Plan, Disclosure Statement, and Term Loan Offering Procedures.

I also certify and represent for the benefit of the Debtors that I am an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act, or the authorized signatory of an "accredited investor."

I acknowledge that by executing this Contribution Form I am bound to pay the amount I have elected to contribute pursuant to my Contribution Rights, in accordance with the terms set forth herein and in the Term Loan Offering Procedures, and that I may be liable to the Debtors to the extent of any nonpayment; and I further acknowledge that I am so bound and so liable notwithstanding any modifications that are made to the Term Loan Offering Procedures.

I acknowledge that by executing this Contribution Form I waive and release to the fullest extent permitted under applicable law all rights, claims, or causes of action against the Released Parties arising out of or related to the receipt, delivery, disbursements, calculations, transmission, or segregation of Cash, and Contribution Rights, in connection with the Term Loan Offering, except to the extent such claims arise from gross negligence or willful misconduct.

Date: _____, 2012

Name of Holder: _____

(Print or Type)

Signature: _____

Name of Person Signing: _____

(If other than holder)

Title (if corporation, partnership or LLC): _____

Street Address: _____

City, State, Zip Code: _____

Telephone Number: _____

Fax: _____

E-Mail: _____

**PLEASE RETURN THIS CONTRIBUTION FORM TO THE TERM LOAN OFFERING AGENT,
KURTZMAN CARSON CONSULTANTS LLC, 599 LEXINGTON AVENUE, 39TH FLOOR, NEW
YORK, NY 10022, ATTN: NEBRASKA BOOK COMPANY PROCESSING, SO THAT IT IS
RECEIVED BY THE CONTRIBUTION EXPIRATION DATE.**

EXHIBIT B

The Backstop Agreement

EXECUTION COPY

Mast Credit Opportunities I Master Fund Limited
Mast OC I Master Fund L.P.
Mast Select Opportunities Master Fund L.P.
Mast AK Fund L.P.
Mast PC Fund L.P.
Del Mar Master Fund LTD.
Visium Credit Master Fund, LTD.
Visium Balanced Master Fund, LTD.
Lumx Visium Credit Fund Limited

March 27, 2012

Nebraska Book Company, Inc.
4700 South 19th Street
Lincoln, Nebraska 68512

Re: \$80,000,000 First Lien Term Loan

Ladies and Gentlemen:

1. Reference is made to the Chapter 11 bankruptcy cases, lead case no. 11-12005 (PJW) (the "Bankruptcy Cases"), currently pending before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), in which Nebraska Book Company, Inc. ("Nebraska Book"; as reorganized, including any successor of the assets and operations thereof, the "Borrower") and certain of its affiliates are debtors and debtors in possession (collectively with Nebraska Book, the "Debtors"). Reference is further made to: (i) an amended plan of reorganization pursuant to Chapter 11 of the United States Bankruptcy Code that was filed by the Debtors on March 7, 2012 (as such plan of reorganization may be modified or amended from time to time with the approval of the Required Backstop Lenders (as defined below), the "Amended Plan") and (ii) a disclosure statement that accompanied the Amended Plan (as it may be modified or amended from time to time, the "Disclosure Statement"). Capitalized terms used but not defined in this letter agreement (the "Backstop Commitment Agreement") shall have the meanings provided in the term sheet with respect to the Term Loan Facility (hereinafter defined) attached hereto at Exhibit A ("Term Sheet").¹ Capitalized terms used but not defined in the Backstop Commitment Agreement or the Term Sheet shall have the meanings provided in the Amended Plan.

¹ The Term Sheet (including all appendices and schedules attached thereto) is incorporated into and constitutes a part of this Backstop Commitment Agreement as if set forth herein.

2. The Amended Plan proposes that the Borrower will obtain exit financing from the following sources, enabling the Debtors to emerge from Chapter 11 of the Bankruptcy Code: (i) up to a \$75,000,000 Asset-Backed Revolving Credit Facility to be provided by traditional asset-based lender(s) on market terms (the "ABL Credit Facility") and (ii) an \$80,000,000 first lien term loan facility provided by the Backstop Lenders (hereinafter defined) and the Participating Lenders (hereinafter defined), if any (the Backstop Lenders and Participating Lenders, collectively, the "Lenders") (such term loan, the "Term Loan" such credit facility, the "Term Loan Facility").

3. In accordance with the Disclosure Statement and the Approval Order (as defined in the Term Sheet) each holder who is an Accredited Investor, as defined below (each, an "Eligible Note Holder", and collectively, the "Eligible Note Holders"), of the 10% Senior Secured Notes due 2011 (collectively, the "Notes") issued under that certain Indenture dated October 2, 2009 by and between Nebraska Book, its subsidiaries party thereto and Wilmington Trust FSB as trustee and collateral agent ("Pre-Petition Second Lien Indenture"), is entitled to fund its pro rata share of the Term Loan (any Eligible Note Holder (including the Backstop Lenders (solely in their capacity as Eligible Note Holders)) that exercises its right to fund its pro rata share of the Term Loan, a "Participating Lender" and, collectively, the "Participating Lenders").

4. For purposes of this Backstop Commitment Agreement (unless otherwise stated), the term "pro rata" with respect to (i) any Eligible Note Holder means the percentage yielded by (x) the aggregate principal amount of Notes held by such Eligible Note Holder divided by (y) the aggregate principal amount of Notes outstanding as of the Petition Date and (ii) any Backstop Lender means the percentage yielded by (x) the principal amount of Backstop Commitment (as defined in the Term Sheet) held by such Backstop Lender divided by (y) the aggregate principal amount of Backstop Commitments held by all of the Backstop Lenders.

5. Subject to the terms and conditions of this Backstop Commitment Agreement and the Term Sheet, each Lender signatory hereto (each, a "Backstop Lender" and collectively, the "Backstop Lenders") severally and not jointly agrees to fund on the Closing Date (as defined in the Term Sheet) its pro rata share of any portion of the Term Loan that is not funded by the Participating Lenders on the Closing Date, in an amount up to its Backstop Commitment. In the event that a Backstop Lender (a "Defaulting Backstop Lender") defaults in its obligation to fund all or any part of its Backstop Commitment (such portion not funded, the "Unfunded Commitment") on the Closing Date in accordance with the terms hereof, (i) the Defaulting Backstop Lender shall immediately (x) cease to constitute a Backstop Lender hereunder including, without limitation, for purposes of calculating the Required Backstop Lenders and Required Lenders and (y) be deemed to forfeit and to the extent received, shall promptly return to Nebraska Book, its share of the Commitment Fees and Funding Fees (each, as defined in the Term Sheet); (ii) Mast Capital Management, LLC and its affiliates ("Mast") shall have the right of first refusal, in its sole and absolute discretion, to increase its Backstop Commitment by all or

any portion of the Unfunded Commitment; and (iii) to the extent Mast funds all or any portion of the Unfunded Commitment, Mast shall receive all Fees that a Backstop Lender would be entitled to receive for funding all or that portion of the Unfunded Commitment, as applicable (including the Commitment Fee and the Funding Fee).

6. The agreement of the Backstop Lenders hereunder is conditioned upon the satisfaction of each of the following conditions precedent (or waiver thereof by the Required Backstop Lenders holding more than sixty-seven (67%) of the principal amount of the Backstop Commitments (the "Required Backstop Lenders")): (a) all representations that you and your affiliates make to the Backstop Lenders shall be accurate and complete in all material respects as of the time when made under the facts and circumstances at such time, (b) your compliance with the terms of this Backstop Commitment Letter (including the Term Sheet) and the payment of all amounts required to be paid hereunder; (c) there shall be no competing offering, placement or arrangement of any debt securities or bank financing by or on behalf of the Debtors or the Reorganized Debtors (as defined in the Amended Plan) or any of their subsidiaries other than the ABL Credit Facility, the Note Facility (as defined in the Term Sheet) and non-material ordinary course equipment financing arrangements; (d) the negotiation, execution and delivery of definitive documentation for the Term Loan Facility consistent with the Term Sheet and otherwise reasonably satisfactory to the Required Backstop Lenders; (e) the satisfaction of the conditions precedent to closing set forth in the Term Sheet; (f) the Amended Plan confirmed by the Bankruptcy Court, together with the order confirming the Amended Plan, shall be in form and substance reasonably satisfactory to the Required Backstop Lenders; and (g) no change, occurrence or development shall have occurred or become known to the Required Backstop Lenders since January 31, 2012 that has had or could reasonably be expected to have a Material Adverse Change (as defined in the Term Sheet).

7. More specifically and for purposes of clarity, all Backstop Commitments shall terminate and all of the obligations of the Debtors (other than any obligations of the Debtors hereunder to: (i) pay the reimbursable expenses provided for in this Backstop Commitment Agreement; (ii) satisfy their indemnification obligations under this Backstop Commitment Agreement; and (iii) pay the Commitment Fees that accrued prior to such termination) shall be of no further force or effect, upon the occurrence of a Backstop Termination Event (as defined in the Term Sheet) and delivery of written notice thereof, by the Required Backstop Lenders to Nebraska Book; provided that each such Backstop Termination Event may be waived in writing by the Required Backstop Lenders.

8. Whether or not the transactions contemplated hereby are consummated, the Debtors or the Reorganized Debtors, as the case may be, agree to: (i) pay within ten (10) days of demand, the reasonable and documented out-of-pocket fees, costs, expenses, disbursements, and charges incurred by Mast previously or in the future relating to the exploration and discussion of the Backstop Commitment and/or to the preparation and negotiation of this Backstop Commitment Agreement, the Term Sheet and the proposed documentation and the transactions

contemplated hereby and thereby, including, without limitation, due diligence costs and expenses, the reasonable fees and expenses of Morgan, Lewis & Bockius LLP, counsel to Mast, and any local or special counsel to Mast; provided that notwithstanding any of the foregoing, (A) such payment obligation shall not apply to the extent any of the foregoing is determined by a final non-appealable judgment of a court of competent jurisdiction to have arisen from the gross negligence, willful misconduct or bad faith of, or material breach of its obligations under this Backstop Commitment Agreement by, Mast and (B) payment of fees and expenses of legal counsel shall be limited to those of one counsel to Mast, and, if reasonably necessary, of one local counsel to Mast in each relevant jurisdiction, and (ii) indemnify and hold harmless the Backstop Lenders and their affiliates and each of their respective directors, officers, partners, members, representatives, employees, agents, attorneys, financial advisors, restructuring advisors and other professional advisors, each of the foregoing solely in their capacities as such (each an “Indemnified Person”), in connection with any matters pertaining to this Backstop Commitment Agreement, the Term Sheet and/or the transactions contemplated hereunder and hold each Indemnified Person harmless from and against any and all losses, claims, damages, liabilities and expenses (but excluding, for the avoidance of doubt, any lost profits), joint or several, to which any such Indemnified Person may incur, have asserted against it or be involved in as a result of or arising out of or in any way related to this Backstop Commitment Agreement, this Backstop Commitment, the Term Sheet, the Amended Plan, the use of proceeds of the Term Loan or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any of such Indemnified Persons is a party thereto, and to reimburse each of such Indemnified Persons within ten (10) days after demand, for any reasonable legal or other expenses incurred in connection with any of the foregoing; provided, however, that the foregoing indemnity and reimbursement obligations (A) shall not apply, as to any Indemnified Person to the extent any of the foregoing is determined by a final non-appealable judgment of a court of competent jurisdiction to have arisen from the gross negligence, willful misconduct or bad faith of, or material breach of its obligations under this Backstop Commitment Agreement by, such Indemnified Person, and (B) shall be limited, in the case of fees and expenses of outside legal counsel, to those of one counsel to all Indemnified Persons, taken as a whole, and, if reasonably necessary, of one local counsel to all Indemnified Persons, taken as a whole, in each relevant jurisdiction and, solely in the case of a conflict of interest, one additional counsel to all affected Indemnified Persons, taken as a whole, and, solely in the case of a conflict of interest, one additional local counsel to all affected Indemnified Persons, taken as a whole, in each relevant jurisdiction.

9. Notwithstanding any other provision to the contrary, no Indemnified Person shall be liable to the Debtors, the Reorganized Debtors or their estates, and no Debtor or Reorganized Debtor shall be liable to any Indemnified Person, for any special, indirect, consequential or punitive damages in connection with its activities related to this Backstop Commitment Agreement, the Backstop Commitment, the Term Sheet, the Amended Plan, the use of proceeds of the Term Loan or the transactions contemplated hereby. The terms set forth in this Paragraph

9 and in Paragraph 8 shall survive termination of this Backstop Commitment Agreement and shall remain in full force and effect regardless of whether the transactions contemplated by this Backstop Commitment Agreement and the Term Sheet are consummated.

10. This Backstop Commitment Agreement and the rights and obligations hereunder and under the Term Sheet shall not be assigned by the Debtors or Reorganized Debtors without the prior written consent of the Required Backstop Lenders in their sole discretion (and any purported assignment without such consent shall be null and void). This Backstop Commitment Agreement is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of any person other than the parties hereto and the Indemnified Persons. Notwithstanding the foregoing, the Backstop Lenders may assign all or any portion of their obligations hereunder to one or more financial institutions that is an "accredited investor" under Regulation D promulgated by the Securities and Exchange Commission (an "Accredited Investor") reasonably acceptable to Nebraska Book to the extent that the potential assignee agrees in writing to become a Backstop Lender and to be bound by this Backstop Commitment Agreement by executing the joinder attached hereto as Exhibit B and delivering an executed copy thereof to Nebraska Book; provided, that Nebraska Book's consent shall not be required for such an assignment to another Backstop Lender or a fund affiliated with any Backstop Lender. Upon any assignment by any Backstop Lender that conforms with the provisions of this Paragraph 10, the obligations of such Backstop Lender in respect of the portion of the obligations so assigned shall terminate. Any purported assignment by any Backstop Lender that does not conform with the provisions of this Paragraph 10 shall be null and void. For the avoidance of doubt, upon the Closing Date, the assignment provisions contained in the Loan Documents (as defined in the term sheet) shall supersede the provisions contained in this Paragraph 10.

11. By accepting delivery of this Backstop Commitment Agreement, the Debtors agree that this Backstop Commitment Agreement is confidential and that neither its existence nor the terms hereof will be disclosed by the Debtors or Reorganized Debtors to any person other than such Debtors' or Reorganized Debtors' officers, directors, employees, accountants, attorneys and other advisors, and then only on a "*need to know*" basis in connection with the transactions contemplated hereby and on a confidential basis. Notwithstanding the foregoing, following the Debtors' acceptance of the provisions hereof and delivery of an executed counterpart of this Backstop Commitment Agreement to the Backstop Lenders as provided below, the Debtors may (i) make such public disclosures of the terms and conditions hereof as required by law; in the opinion of counsel to the Debtors, to be made, and (ii) file a copy of this Backstop Commitment Agreement with the Bankruptcy Court in connection with the filing of the Amended Plan or the filing of a motion to approve any of the terms of this Backstop Commitment Agreement as long as the names and commitment amounts of the Backstop Lenders are redacted from any such filing unless the Bankruptcy Court shall otherwise direct.

12. This Backstop Commitment Agreement and the Term Sheet shall not be amended or waived except in writing signed by the Debtors and the Required Backstop Lenders; provided that the consent of each Backstop Lender adversely affected thereby shall be required with respect to any amendment or waiver which: (i) increases or extends the Backstop Commitment of such Lender; (ii) reduces the outstanding principal amount of any Term Loans of any Backstop Lender, or reduces the rate of interest or fees on the Term Loan Facility; (iii) extends the maturity date of the Term Loan Facility; (iv) alters the pro rata sharing provisions of the Term Loan Facility; (v) alters the voting percentages of the Lenders; or (vi) releases all or substantially all of the collateral securing the Term Loan Facility or the guaranties thereof.

13. This Backstop Commitment Agreement may be executed in any number of counterparts, each of which will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of this Backstop Commitment Agreement by facsimile or email in portable document format (.pdf format) will be effective as delivery of a manually executed counterpart of this Backstop Commitment Agreement.

14. For the avoidance of doubt, the expense, indemnification and confidentiality provisions set forth herein shall remain in full force and effect regardless of whether any definitive documentation for the Term Loan Facility shall be executed and delivered and notwithstanding the termination of this Backstop Commitment Agreement or any commitment or undertaking of the Backstop Lenders hereunder.

15. Each of the Backstop Lenders reserves the right to employ the services of its affiliates in providing services contemplated by this Backstop Commitment Agreement and to allocate, in whole or in part, to such affiliates certain fees payable to such Backstop Lender in such manner as such Backstop Lender and such affiliates may agree in their sole discretion (and such affiliates shall be entitled to the benefits afforded to the Backstop Lenders hereunder). In connection with the services and transactions contemplated hereby, you agree that the Backstop Lenders are permitted to access, use and share with any of their bank or non-bank affiliates, agents, advisors (legal or otherwise) or representatives, any information concerning Nebraska Book or any of its affiliates that is or may come into the possession of the Backstop Lenders or any of such affiliates (it being understood that, with respect to any confidential information, the persons to whom such disclosure is made will be informed of the confidential nature of such information and shall agree to keep such information confidential). The Backstop Lenders and their affiliates will treat confidential information relating to Nebraska Book and its affiliates with the same degree of care as they treat their own confidential information. Each of the Backstop Lenders acknowledges that the disclosure of material nonpublic information regarding the Debtors by such Backstop Lender or trading in the securities of the Debtors by such Backstop Lender while in possession of such information may, depending on the facts and circumstances, subject such Backstop Lender to liability under certain securities laws.

16. You agree that the Backstop Lenders will act under this Backstop Commitment Agreement as an independent contractor and that nothing in this Backstop Commitment Agreement or the Term Sheet or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Backstop Lenders, on the one hand, and the Debtors, the Reorganized Debtors or their respective stockholders and affiliates, on the other. You acknowledge and agree that:

(i) the transactions contemplated by this Backstop Commitment Agreement and the Term Sheet are arm's length commercial transactions between Backstop Lenders, on the one hand, and Nebraska Book and its affiliates, on the other;

(ii) in connection therewith and with the process leading to such transaction, each Backstop Lender is acting solely as a principal and not the agent or fiduciary of Nebraska Book or its affiliates and/or their respective management, stockholders, creditors or any other person;

(iii) no Backstop Lender has assumed an advisory or fiduciary responsibility in favor of Nebraska Book or its affiliates with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Backstop Lender or any of its respective affiliates have advised or is currently advising Nebraska Book or its affiliates on other matters) or any other obligation to Nebraska Book or its affiliates except the obligations expressly set forth in this Backstop Commitment Agreement and the Term Sheet; and

(iv) Nebraska Book and its affiliates have consulted their own legal, accounting, regulatory, tax and financial advisors to the extent they deemed appropriate.

17. Nebraska Book and its affiliates further acknowledge and agree that they are responsible for making their own independent judgment with respect to such transactions and the process leading thereto. Nebraska Book and its affiliates agree that they will not claim that any Backstop Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to Nebraska Book or its affiliates, in connection with such transaction or the process leading thereto.

18. You acknowledge that the Backstop Lenders or their affiliates may be providing financing or other services to parties whose interests may conflict with yours. The Backstop Lenders agree that they will not furnish confidential information obtained from you to any of their other customers. The Backstop Lenders further advise you that they will not make available to you confidential information that they have obtained or may obtain from any other customer.

19. In addition, please note that the Backstop Lenders and their respective affiliates do not provide accounting, tax or legal advice.

20. Pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Patriot Act"), the Backstop Lenders may be required to

obtain, verify and record information that identifies the Debtors and the Reorganized Debtors, which information includes the name, address and tax identification number and other information regarding them that will allow the Backstop Lenders to identify them in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to the Backstop Lenders.

21. This Backstop Commitment Agreement shall be governed by, and construed in accordance with, the laws of the State of New York and the Bankruptcy Code, as applicable. Each of Nebraska Book and its affiliates and the Backstop Lenders hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Backstop Commitment Agreement (including, without limitation, the Term Sheet), the transactions contemplated hereby and thereby or the actions of the Backstop Lenders in the negotiation, performance or enforcement hereof. Nebraska Book and each of its affiliates agrees that any suit or proceeding arising in respect to this Backstop Commitment Agreement will be tried exclusively in the Bankruptcy Court or, if the Bankruptcy Court does not have jurisdiction, the U.S. District Court for the Southern District of New York or any state court located in the City of New York, and Nebraska Book and each of its affiliates agrees to submit to the exclusive jurisdiction of, and to venue in, such court.

22. Each Backstop Lender represents, severally and not jointly, that it (a) is an Accredited Investor with such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its commitment hereunder and participation in the Term Loan, (b) has conducted and relied upon its own independent investigation of, and judgment with respect to, the Debtors and the advice of its own legal, tax, economic and other advisors, (c) is entering into this Backstop Commitment Agreement for its own account, not as a nominee or agent, and not with a view to, or for the purpose of resale in connection with, any distribution of its commitments hereunder or its interest in the Term Loan; provided that the foregoing shall not impair each Backstop Lender's right to control the disposition of property and commitments in a manner consistent with this Backstop Commitment Agreement, (d) has no present intention of selling or otherwise transferring its commitment or interest, except in compliance with applicable securities laws and (e) understands and is able to bear any economic risks associated with its commitment hereunder or interest in the Term Loan (including holding its interest in the Term Loan for an indefinite period of time).

23. This Backstop Commitment Agreement shall become effective, and binding upon: (i) the mutual exchange of fully executed counterparts and (ii) the entry of the Approval Order.

24. The Debtors' obligations under this Backstop Commitment Agreement are subject to approval by the Bankruptcy Court and shall not be effective until such approval is obtained; provided, however, that the Debtors agree to file a motion with the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Backstop Lenders, on or before March 28, 2012, requesting entry of an order approving the Debtors' entry into this Backstop Commitment

Agreement (including the Term Sheet) and approving payment of the fees contemplated hereby and in the Term Sheet, the expenses of each of the Backstop Lenders set forth herein and in the Term Sheet, and the indemnification provisions set forth herein and therein.

25. The obligations of the Backstop Lenders hereunder shall terminate and be of no force or effect in the event that: (i) this Backstop Commitment Letter is not returned to the Backstop Lenders, executed by the Borrower and its affiliates listed on the signature pages hereto, on or prior to 5:00 p.m. (prevailing Eastern time) on March 27, 2012, (ii) the Approval Order is not entered, on or prior to 5:00 p.m. (Boston time) on April 13, 2012, or (iii) the Closing Date does not occur on or prior to 5:00 p.m. (Boston time) on July 13, 2012 (as such date may be extended by the Required Backstop Lenders in their sole discretion).

REMAINDER OF PAGE INTENTIONALLY BLANK

If the foregoing is in accordance with your understanding of our agreement, please sign this Backstop Commitment Agreement in the space indicated below and return it to us.

Very truly yours,

[Signatures continue on following pages]

Mast Credit Opportunities I Master Fund Limited

By: Peter A. Reed
Name: Peter A. Reed
Title: Authorized Signatory

Mast OC I Master Fund L.P.

By: **Mast Capital Management, LLC,
its General Partner**

By: Peter A. Reed
Name: Peter A. Reed
Title: Authorized Signatory

Mast Select Opportunities Master Fund L.P.

By: **Mast Select Opportunities GP, LLC,
its General Partner**

By: Peter A. Reed
Name: Peter A. Reed
Title: Authorized Signatory

Mast AK Fund L.P.

By: **Mast AK Fund GP, LLC,
its General Partner**

By: Peter A. Reed
Name: Peter A. Reed
Title: Authorized Signatory

Mast PC Fund L.P.


By: **Mast PC GP, LLC,
its General Partner**

By: Peter A. Reed
Name: Peter A. Reed
Title: Authorized Signatory

Dated: March 27, 2012

[Signatures continue on following pages]

DEL MAR MASTER FUND LTD., a Cayman Island exempted company


By: 
Name: Marc Simons
Title: Director

Dated: March 23, 2012

[Signatures continue on following pages]

VISIUM CREDIT MASTER FUND, LTD.

By: Visium Asset Management, LP
Its: Investment Adviser


By: 
Name: Mark Gottlieb
Title: Authorized Signatory

Dated: March 26, 2012

[Signatures continue on following pages]

VISIUM BALANCED MASTER FUND, LTD.

By: Visium Asset Management, LP
Its: Investment Manager


By: 
Name: Mark Gottlieb
Title: Authorized Signatory

Dated: March 26, 2012

[Signatures continue on following pages]

LUMX VISIUM CREDIT FUND LIMITED

By: Visium Asset Management, LP
Its: Investment Adviser

By: 
Name: Mark Gottlieb
Title: Authorized Signatory

Dated: March 26, 2012

[Signatures continue on following pages]

The foregoing is hereby
agreed to and accepted:

NEBRASKA BOOK COMPANY, INC., a Kansas
corporation

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

CAMPUS AUTHENTIC LLC, a Delaware limited
liability company

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

COLLEGE BOOKSTORES OF AMERICA, INC., an
Illinois corporation

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

NBC ACQUISITION CORP., a Delaware corporation

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

NBC HOLDINGS CORP., a Delaware corporation

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

NBC TEXTBOOKS LLC, a Delaware limited liability company

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

NET TEXTSTORE LLC, a Delaware limited liability company

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

SPECIALTY BOOKS, INC., a Delaware corporation

By: Barry S. Major
Name: Barry S. Major
Title: Authorized Signatory

Dated: March 27, 2012

EXHIBIT A

TERM SHEET

NEBRASKA BOOK COMPANY, INC.

\$80,000,000 First Lien Term Loan

Summary of Principal Terms

This Term Sheet ("Term Sheet") describes the principal terms of the first lien term loan facility, in an amount of \$80,000,000, to be provided by the Lenders (as defined in the Backstop Commitment Agreement to which this Term Sheet is attached) to Nebraska Book Company, Inc., as reorganized, including any successor of the assets and operations thereof (the "Borrower").

Unless otherwise defined herein, each capitalized term used in this Term Sheet shall have the same meaning ascribed to such term in the Backstop Commitment Agreement.

Borrower: Nebraska Book Company, Inc., as reorganized, including any successor of the assets and operations thereof (the "Borrower"), upon Emergence (as hereinafter defined). It is currently anticipated that the Borrower's emergence from bankruptcy and the effective date of the Amended Plan shall occur on or before June 16, 2012 (the "Emergence").

Administrative Agent and Collateral Agent: Mast or another institution reasonably acceptable to the Borrower and Mast.

Term Loan Facility: A senior term loan facility (the "Term Loan Facility") in an aggregate principal amount of \$80,000,000 (such loan, the "Term Loan").

Backstop Lenders (collectively, the "Backstop Lenders"): Mast Credit Opportunities I Master Fund Limited
Mast OC I Master Fund L.P.
Mast Select Opportunities Master Fund L.P.
Mast AK Fund L.P.
Mast PC Fund L.P.
Del Mar Master Fund LTD.
Visium Credit Master Fund, LTD.
Visium Balanced Master Fund, LTD.
Lumx Visium Credit Fund Limited

Backstop Commitments (collectively, the "Backstop Commitments"): Mast Credit Opportunities I Master Fund Limited
Mast OC I Master Fund L.P.
Mast Select Opportunities Master Fund L.P.
Mast AK Fund L.P.

Mast PC Fund L.P.	\$70,000,000
Del Mar Master Fund LTD.	\$5,000,000
Visium Credit Master Fund, LTD. Visium Balanced Master Fund, LTD. Lumx Visium Credit Fund Limited	\$5,000,000

Participating Lenders: Eligible Note Holders who exercise their right to fund their respective pro rata share of the Term Loan (including without limitation, the Backstop Lenders solely in their capacity as Eligible Note Holders) ("Participating Lenders"; together with the Backstop Lenders, the "Lenders"; commitments of such Participating Lenders, each, a "Participating Lender Commitment" and collectively, the "Participating Lender Commitments"; together with the Backstop Commitments, the "Commitments").

Required Lenders: Lenders holding more than fifty percent (50%) of the principal amount of the Commitments.

Required Backstop Lenders: Backstop Lenders holding more than sixty seven (67%) of the principal amount of the Backstop Commitments

Purpose/Use of Proceeds: The proceeds of the Term Loan shall only be used to make the payments required to be made on or about the Closing Date under the Amended Plan to enable the Debtors to emerge from Chapter 11 of the Bankruptcy Code, including, without limitation, repayment of all DIP Facility loans, with any excess for general corporate purposes.

Final Maturity: Third anniversary of the Closing Date.

Guarantees: All obligations of the Borrower under the Term Loan Facility will be unconditionally guaranteed (the "Guarantees") by NBC Acquisition

Corp. (including any successor of the assets and operations thereof) and NBC Holdings Corp. (including any successor of the assets and operations thereof) and each of the Borrower's wholly-owned domestic subsidiaries and each of Borrower's and its subsidiaries' subsequently acquired or organized wholly-owned, direct or indirect, domestic subsidiaries (collectively, the "Guarantors").

Collateral and Ranking:

All obligations under the Term Loan Facility will be secured by valid and perfected security interests in substantially all of the real and personal property and assets of the Borrower and each Guarantor (collectively, the "Collateral"). The priority of the security interests in the Collateral shall be as follows (in each case, (x) subject to permitted exceptions to be mutually agreed and (y) as otherwise mutually agreed between the Required Backstop Lenders and the ABL Credit Facility lenders): (a) a perfected first-priority security interest in all real and personal property and assets of the Borrower and each Guarantor (including all shares of capital stock on each subsidiary owned by any Borrower or Guarantor, all intercompany debt, and all proceeds thereof, in each case, subject to customary limitations to be mutually agreed), other than the ABL Priority Collateral (defined below) (the "Term Priority Collateral") and (b) a perfected second-priority security interest (junior only to the liens on the ABL Priority Collateral securing the obligations under the ABL Credit Facility) on all of the ABL Priority Collateral.

As used herein, ABL Priority Collateral shall mean: (i) all inventory; (ii) all accounts; and (iii) all identifiable proceeds thereof.

The secured parties under the Note Facility (hereinafter defined) shall have perfected third-priority security interests in the Collateral, and so long as any obligations are outstanding under the ABL Credit Facility or the Term Loan Facility, the secured parties under the Note Facility will not be entitled to take any action with respect to the Collateral.

The priority of the security interests in the Collateral and related secured creditors' rights in respect of the Term Loan Facility, the ABL Credit Facility and the Note Facility will be set forth in an intercreditor agreement reasonably acceptable to the Required Backstop Lenders.

All the above-described pledges, security interests and mortgages shall be created on terms, and pursuant to documentation, reasonably satisfactory to the Required Backstop Lenders (including, in the case of real property, customary items such as title insurance and surveys reasonably satisfactory to the Required Backstop Lenders), and none of the Collateral shall be subject to any other liens, subject to customary

and other exceptions to be agreed upon, and except to the extent securing: (i) the ABL Credit Facility on a first-priority basis in respect of all ABL Priority Collateral and on a second-priority basis in respect of all Term Priority Collateral; and (ii) the Note Facility on a third priority basis.

Interest Rates:

The principal amount outstanding under the Term Loan Facility will bear interest as follows:

From and after the Closing Date until the first anniversary thereof, at a per annum rate of 8.00%;

From and after the first anniversary of the Closing Date until the second anniversary of the Closing Date, at a per annum rate of 11.00%; and

From and after the second anniversary of the Closing Date, at a per annum rate of 12.00%.

Interest shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed and shall be payable monthly in arrears.

Default Interest Rate:

Upon the occurrence and during the continuation of an Event of Default (to be defined in the Loan Documents), upon notice by the Administrative Agent and/or the Required Lenders, principal on the Term Loan (and any overdue interest) will accrue interest at an additional 2.0% per annum, payable in full in cash from time to time on demand.

Fees:

As consideration for backstopping the funding of the Term Loan Facility, each Backstop Lender shall receive the following fees:

A commitment fee equal to one percent (1%) per month of the total face value of such Backstop Lender's Backstop Commitment, which shall accrue during the period commencing on the date of the Backstop Commitment Agreement and ending on the earlier of the date that the Term Loan is funded or the date the Backstop Commitment is terminated in accordance with the provisions hereof (the "Commitment Fee"). The Commitment Fee shall accrue on a daily basis and such amount shall be fully earned and non-refundable after the Backstop Commitment Agreement is executed (subject to Court approval of the same). The Commitment Fee due to the Backstop Lenders shall be

afforded super-priority administrative expense claim status against the Debtors.

A funding fee equal to one percent (1%) of the amount of the Term Loan funded by such Backstop Lender (in its role as a Backstop Lender and Participating Lender) (the "Funding Fee") and together with the Commitment Fee, the "Fees"). The Funding Fee shall be fully earned and non-refundable upon the funding of the Term Loan by the Backstop Lenders (in their role as Backstop Lenders and Participating Lenders). In no case will the Funding Fee payable to the Backstop Lenders be less than the funding or similar fees (in basis points) payable to any other Lender.

Each of the Commitment Fee and Funding Fee shall be payable in kind by the Borrower on the Closing Date, increasing each Backstop Lender's portion of the Term Loan by the amount of the Fees owed by Borrower to such Backstop Lender (in its role as a Backstop Lender and Participating Lender); provided that if the Backstop Termination Event occurs, the Commitment Fee shall be payable in cash by the Debtors on or prior to the date that is two (2) business days after the occurrence of the Backstop Termination Event.

Voluntary Repayment: Voluntary prepayments on account of the Term Loan shall be permitted in whole or in part, in minimum principal amounts to be agreed upon, at a price equal to (during the applicable time periods) the percentage of the principal amount of the Term Loan prepaid as set forth below, plus all accrued and unpaid interest thereon.

<u>Year</u>	<u>Price</u>
If repaid:	
prior to the first anniversary of the Closing Date:	100%
on or after the first anniversary of the Closing Date but prior to the second anniversary of the Closing Date:	105%
on or after the second anniversary of the Closing Date:	100%

Mandatory Prepayment: In the event that there shall be any Excess Cash Flow (to be agreed upon and defined in the Loan Documents) of the Borrower and the Guarantors for each fiscal sixth month period (or, with respect to the first fiscal period ending after the Closing Date, the period commencing

on the Closing Date and ending on or about a date to be mutually agreed, which period may be shorter than sixth months) ending on or about dates to be mutually agreed of each year, the Borrower shall use one hundred percent (100%) of the Excess Cash Flow of the Borrower and the Guarantors to prepay the Term Loan at least two (2) times per year (on dates to be mutually agreed of each year). Such amount shall be applied first to any unpaid interest and such prepayments shall not be subject to any prepayment penalty.

The Borrower shall be required to prepay the Term Loan with one hundred percent (100%) of the net cash proceeds received from: (i) asset sales; (ii) insurance proceeds from casualty events; (iii) equity and debt issuances; and (iv) certain extraordinary receipts to be mutually agreed; except in the case of an asset sale or casualty event involving ABL Priority Collateral, to the extent required to be applied to the repayment of loans under the ABL Credit Facility, and, in each case, subject to exceptions, thresholds and reinvestment rights to be mutually agreed.

Representations and Warranties:

Usual and customary for transactions of this type, including, without limitation, the following (it being understood that certain representations and warranties will be subject to materiality and other thresholds to be mutually agreed): (i) legal existence, qualification and power; (ii) due authorization and no contravention of law, contracts or organizational documents; (iii) governmental and third party approvals and consents; (iv) enforceability; (v) accuracy and completeness of specified financial statements and other information and no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Change; (vi) no material litigation; (vii) no default; (viii) ownership of property (including disclosure of liens, properties, leases and investments); (ix) insurance matters; (x) environmental matters; (xi) tax matters; (xii) ERISA compliance; (xiii) identification of subsidiaries, equity interests and loan parties; (xiv) use of proceeds and not engaging in business of purchasing/carrying margin stock; (xv) status under Investment Company Act; (xvi) accuracy of disclosure; (xvii) compliance with laws; (xviii) intellectual property; (xix) solvency of the Borrower and Guarantors taken as a whole; (xx) no casualty; and (xxi) collateral documents.

Covenants:

Usual and customary for transactions of this type, including, without limitation, the following (it being understood that certain covenants will be subject to exceptions, thresholds and materiality qualifications to be mutually agreed):

(a) Affirmative Covenants - (i) delivery of quarterly and annual financial statements, annual budgets and forecasts; (ii) delivery of certificates and other information; (iii) delivery of notices (of any default, material adverse condition, ERISA event, material change in accounting or financial reporting practices, sale of equity, incurrence of debt); (iv) payment of obligations; (v) preservation of existence; (vi) maintenance of properties; (vii) maintenance of insurance; (viii) compliance with laws; (ix) maintenance of books and records; (x) inspection rights; (xi) use of proceeds; (xii) covenant to guarantee obligations, give security; (xiii) compliance with environmental laws; (xiv) preparation of environmental reports; (xv) further assurances; (xvi) compliance with terms of leaseholds; and (xvii) compliance with material contracts.

(b) Negative Covenants - restrictions on (i) liens; (ii) indebtedness, (including guarantees and other contingent obligations); (iii) investments (including loans and advances); (iv) mergers and other fundamental changes; (v) sales and other dispositions of property or assets; (vi) payments of dividends and other distributions; (vii) changes in the nature of business; (viii) transactions with affiliates; (ix) burdensome agreements; (x) use of proceeds; (xi) capital expenditures; (xii) amendments of organizational documents; (xiii) changes in accounting policies or reporting practices; (xiv) prepayments of other indebtedness; (xv) modification or termination of documents related to certain indebtedness; and (xvi) lease obligations.

Financial Covenants: [TBD]

Financial Information to be Provided: [TBD]

Events of Default: Usual and customary in transactions of this type, including, without limitation, the following: (i) nonpayment of principal, interest, fees or other amounts (provided that nonpayment of interest, fees and other amounts (excluding principal) shall be subject to a two (2) day grace period); (ii) failure to perform or observe covenants set forth in the loan documentation within a specified period of time, where customary and appropriate, after such failure; (iii) any representation or warranty proving to have been materially incorrect when made or confirmed; (iv) cross-default to the ABL Credit Facility, the Note Facility and other indebtedness in an amount to be agreed; (v) bankruptcy and insolvency defaults (with grace period for involuntary proceedings); (vi) inability to pay debts; (vii) monetary judgment defaults in an amount to be agreed and material nonmonetary judgment defaults; (viii) customary

ERISA defaults; (ix) actual or asserted invalidity or impairment of any loan documentation; and (x) change of control.

Governing Law: State of New York.

Conditions Precedent To the Closing: The obligation of the Lenders to fund the Term Loan in accordance with the provisions hereof and the Backstop Commitment Agreement will be conditioned upon the prior satisfaction of usual and customary conditions precedent for transactions of this type, including, without limitation, the following (provided, that each of the following conditions may be waived by the Required Backstop Lenders in their sole discretion):

- All documents, instruments and other agreements executed and delivered in connection with any of the foregoing, including, without limitation, an intercreditor agreement governing the respective lien and payment priority and other rights with respect to the ABL Credit Facility, the Term Loan Facility and the Note Facility (collectively, the "Loan Documents") shall be in form and substance reasonably satisfactory to the Required Backstop Lenders;
- The Amended Plan, the Disclosure Statement, the Solicitation Order, the Confirmation Order and any Plan supplemental documents (collectively, the "Plan Documents") shall be in form and substance reasonably satisfactory to the Required Backstop Lenders;
- All motions and other documents to be filed with the Bankruptcy Court in connection with the offer and approval of the Loan Documents, the making of the Term Loan and payment of the fees contemplated hereunder and thereunder shall be in form and substance reasonably acceptable to the Required Backstop Lenders;
- All reasonable out-of-pocket fees and expenses (including reasonable fees and expenses of counsel) and Fees required to be paid to the Backstop Lenders, the Administrative Agent and Collateral Agent on or before the Closing Date shall have been paid in full in cash (or, to the extent provided for herein with respect to the Fees, in kind);
- The Bankruptcy Court shall have: (i) entered orders, in form and substance reasonably satisfactory to the Required Backstop Lenders, approving the Disclosure Statement and the Debtors' entry

into the Backstop Commitment Agreement and approving, payment of the fees contemplated thereunder, the expenses of each of the Backstop Lenders set forth therein and herein, and the indemnification provisions set forth therein (the "Approval Order"); and (ii) entered the Confirmation Order, which shall among other things, authorize and approve the transactions contemplated herein, including, without limitation, the granting of the security interests and liens and the payment of all consideration and fees referred to herein, which orders shall be in full force and effect and shall not have been reversed, vacated or stayed and shall not have been amended, supplemented or otherwise modified without the prior written consent of the Required Backstop Lenders (which consent may be withheld in their sole discretion);

- Except for the Chapter 11 proceedings and any usual and customary consequences of any such filing, since January 31, 2012, there shall have occurred no material adverse effect on any of: (i) the operations, performance, business, assets, properties, or condition (financial or otherwise) of the Debtors, taken as a whole; (ii) the ability of any of the Reorganized Debtors to perform their respective obligations under the Loan Documents; or (iii) the ability of the Administrative Agent, Collateral Agent and/or the Lenders to enforce their rights under the Loan Documents (each of the foregoing, a "Material Adverse Change");
- Any and all governmental and third party consents and approvals necessary in connection with the execution and delivery of the Loan Documents and the transactions contemplated thereby shall have been obtained and shall remain in effect;
- The Amended Plan shall have become, or simultaneously with the closing of the Term Loan Facility will become, effective;
- The ABL Credit Facility shall have become effective on terms and conditions and pursuant to documentation reasonably satisfactory to the Required Backstop Lenders, and the Required Backstop Lenders shall be satisfied that, after giving effect to the transactions to be effected on the Closing Date, the Borrower shall have borrowing availability thereunder of an amount reasonably satisfactory to the Required Backstop Lenders and the Borrower;
- \$100,000,000 of New Second Lien Take-Back Note(s) shall have been issued by the Borrower (the "Note Facility"), substantially on the terms and conditions set forth in the term sheet attached hereto as Exhibit B (the "Note Facility Term Sheet") and otherwise on terms and conditions and pursuant to documentation reasonably satisfactory to the Required Backstop Lenders; and

- Backstop Lenders shall have received the Financial Information at least [TBD] days prior to the Closing Date, and the Required Backstop Lenders shall be satisfied with the corporate and capital structure of the Borrower and Guarantors (including, without limitation, the “Restructuring Transactions” as defined in the Amended Plan).

Termination of
Backstop
Commitments:

The commitment of the Backstop Lenders to fund the Term Loan Facility set forth in the Backstop Commitment Agreement (the "Backstop Commitment") shall terminate and all of the obligations of the Debtors (other than the obligations of the Debtors to: (i) pay the reimbursable expenses under the Backstop Commitment Agreement; (ii) satisfy their indemnification obligations under the Backstop Commitment Agreement; and (iii) pay the Commitment Fee accrued prior to such termination) shall be of no further force or effect, upon the Required Backstop Lenders giving of written notice to Nebraska Book of termination upon any of the following occurring (each, a "Backstop Termination Event"), each of which may be waived in writing by the Required Backstop Lenders:

- a motion, in form and substance reasonably satisfactory to the Required Backstop Lenders, requesting entry of the Approval Order is not filed by the Debtors with the Bankruptcy Court on or before March 28, 2012;
- (A) an Event of Default (as defined in the DIP Facility) shall have occurred and be continuing and not waived after the expiration of any applicable cure period provided therein and (B) the Debtors' obligations thereunder have been accelerated;
- the Approval Order, in form and substance reasonably acceptable to the Required Backstop Lenders, is not entered by the Bankruptcy Court on or before April 13, 2012;
- the Disclosure Statement Order, in form and substance reasonably acceptable to the Required Backstop Lenders, is not entered by the Bankruptcy Court on or before April 20, 2012;
- the Debtors fail to commence a solicitation of votes for acceptance of the Amended Plan on or before April 24, 2012;
- the Plan Supplement (which shall include, without limitation, the Corporate Governance Documents and Loan Documents, the ABL Credit Facility documents, the Note Facility documents, each in form and substance reasonably acceptable to the Required

Backstop Lenders) is not finalized and filed on or before the date that is ten (10) calendar days before the voting deadline on the Amended Plan;

- the Confirmation Order, in form and substance reasonably acceptable to the Required Backstop Lenders, is not entered by the Bankruptcy Court on or before June 4, 2012; provided that, so long as the Debtors are proceeding in good faith towards confirmation of the Amended Plan, upon written notice from the Debtors to the Backstop Lenders, there shall be a 14-day extension of such deadline;
- the Closing Date does not occur within 16 days after entry of the Confirmation Order; provided that, so long as the Debtors are proceeding in good faith towards the closing of the transactions contemplated hereby, upon written notice from the Debtors to the Backstop Lenders, there shall be a 14-day extension of such deadline;
- the withdrawal, amendment, modification or filing of a pleading seeking to amend or modify, the Amended Plan, the Disclosure Statement or any document related to the Amended Plan or Disclosure Statement (including, without limitation, any motion, notice, supplement, exhibit, appendix or order) by the Debtors, which withdrawal, amendment, modification or filing is inconsistent with the Backstop Commitment Agreement and/or this Term Sheet;
- the filing by the Debtors of any motion or other request for relief seeking: (i) to voluntarily dismiss any of the Chapter 11 Cases; (ii) conversion of any of the Chapter 11 Cases to chapter 7 of the Bankruptcy Code; or (iii) appointment of a trustee or an examiner with expanded powers pursuant to Section 1104 of the Bankruptcy Code in any of the Chapter 11 Cases;
- the entry of an order by the Bankruptcy Court: (i) dismissing any of the Chapter 11 Cases; (ii) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; or (iii) appointing a trustee or an examiner with expanded powers pursuant to Section 1104 of the Bankruptcy Code in any of the Chapter 11 Cases;
- an action (or failure to act) by the Debtors that is materially inconsistent with the Backstop Commitment Agreement and/or this Term Sheet, unless such action (or inaction) is cured within five (5) business days of receiving written notice thereof from the

Required Backstop Lenders;

- any court of competent jurisdiction or other competent governmental or regulatory authority issues an order making illegal or otherwise restricting, preventing, or prohibiting the restructuring set forth in this Term Sheet in a manner that cannot be reasonably and promptly remedied by the Debtors or the Backstop Lenders;
- one or more of the conditions precedent to the consummation of the transactions set forth in the Backstop Commitment Agreement and/or this Term Sheet or to the obligations of the Backstop Lenders set forth in the Backstop Commitment Agreement is not satisfied;
- at any time from and after the occurrence of a Material Adverse Change;
- the consummation of an Alternate Transaction; or
- the Closing Date does not occur on or prior to July 13, 2012.

For purposes hereof, an "Alternate Transaction" includes the consummation of (i) any Chapter 11 plan involving the Debtors (other than the Amended Plan), or (ii) any sale or series of sales of substantially all of the Debtors' assets. For the avoidance of doubt, an Alternate Transaction shall not include the Debtors' entry into the ABL Credit Facility or Note Facility.

Closing Date:

The date on which the Amended Plan is effective (as ordered by the Bankruptcy Court) and all other conditions precedent to the consummation of the transactions set forth herein are satisfied, it being anticipated that such date will occur on or before June 16, 2012 (the "Closing Date").

Assignments and Participations:

The Lenders may assign all or, in an amount of not less than \$1,000,000, any part of their respective share of the Term Loan to one or more banks, financial institutions or other entities that are eligible assignees (to be described in Loan Documents), provided that no assignments may be made to the Borrower or any of its affiliates; provided that assignments made to Lenders and their affiliates will not be subject to the above described minimum assignment amount requirements. The Lenders will also have the right to sell participations, subject to customary limitations on voting rights, in their respective share of the Term Loan.

Amendments and

No amendment, modification, termination or waiver of any provision of

Requisite Lenders: the Loan Documents shall be effective without the written concurrence of Required Lenders, except that the consent of each Lender adversely affected thereby shall be required with respect to, among other things, adverse changes in matters relating to the interest rates, maturity, pro rata provisions or order of payments provisions, certain collateral issues and the definition of Required Lenders.

Taxes, Reserve Requirements and Indemnities: The Term Loan Facility will have customary provisions that all payments are to be made free and clear of any taxes, imposts, assessments, withholdings or other deductions whatsoever. Foreign Lenders shall furnish to the Administrative Agent appropriate certificates or other evidence of exemption from U.S. federal tax withholding.

Cost and Yield Protection: Usual for facilities and transactions of this type, including customary tax gross-up provisions. The documentation will include customary provisions for replacing a lender seeking indemnity for increased costs or grossed-up tax payments or failing to fund a commitment.

Indemnity: The Term Loan Facility will provide customary and appropriate provisions relating to indemnity and related matters in a form reasonably satisfactory to the Administrative Agent and the Lenders. Such indemnification provisions shall provide, among other things, that the Administrative Agent, the Collateral Agent and the Lenders (and their affiliates and each of their respective officers, directors, partners, trustees, employees, shareholders, advisors, agents, attorneys and controlling persons and each of their respective heirs, successors and assigns) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost or expense incurred in respect of the Term Loan Facility, the Term Loan (or the use of the proceeds thereof), the Term Sheet, the Backstop Commitment Agreement, the Loan Documents or any transactions contemplated thereunder (except with respect to a particular indemnified party, to the extent resulting from the gross negligence, willful misconduct or bad faith of, or willful breach of its obligations thereunder by, such indemnified party, in each case, as determined by a final non-appealable judgment of a court of competent jurisdiction).

The Borrower will pay: (i) all reasonable out-of-pocket expenses of the Administrative Agent, the Collateral Agent, and Mast associated with the preparation, negotiation, execution, delivery and administration of the Loan Documents and any amendment, waiver or modification with respect thereto (including the reasonable fees, disbursements and other charges of Mast's counsel, Morgan, Lewis & Bockius LLP, and counsel to the Administrative Agent and Collateral Agent, and the

charges of IntraLinks); and (ii) all out-of-pocket expenses of the Administrative Agent, the Collateral Agent, Mast and each other Lender (including the fees, disbursements and other charges of Mast's counsel, Morgan, Lewis & Bockius LLP, counsel to the Administrative Agent and Collateral Agent, and any other counsel of any of the other Lenders) in connection with the enforcement of the Loan Documents or in any bankruptcy case or insolvency proceeding (including advisors and professionals engaged by the Administrative Agent, Collateral Agent, Mast and any other Lender in connection with enforcement proceedings); provided that notwithstanding any of the foregoing, (A) with respect to a particular reimbursed party, such payment obligation shall not apply to the extent any of the foregoing is determined by a final non-appealable judgment of a court of competent jurisdiction to have arisen from the gross negligence, willful misconduct or bad faith of, or willful breach of the Loan Documents by, such reimbursed party and (B) payment of fees and expenses of legal counsel shall be limited to those of (x) one counsel to Mast, and, if reasonably necessary, one local counsel to Mast in each relevant jurisdiction, (y) one counsel to the Administrative Agent and Collateral Agent, and, if reasonably necessary, one local counsel to the Administrative Agent and Collateral Agent in each relevant jurisdiction, and (z) one counsel to all other Lenders, taken as a whole, and, if reasonably necessary, one local counsel to such other Lenders, taken as a whole, in each relevant jurisdiction (and, solely in the case of a conflict of interest, one additional local counsel to all affected other Lenders, taken as a whole, in each relevant jurisdiction).

Counsel to Mast:

Morgan, Lewis & Bockius LLP
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EXHIBIT B

NOTE FACILITY TERM SHEET

- New Second Lien Take-Back Note of \$100 million to be distributed on a pro-rata basis to each holder of the 10% Senior Secured Notes due 2011 (collectively, the “Notes”) issued under that certain Indenture dated October 2, 2009 by and between Nebraska Book, its subsidiaries party thereto and Wilmington Trust FSB as trustee and collateral agent (“Pre-Petition Second Lien Indenture”).
- Terms and conditions include the following:
 - 4-year maturity;
 - Interest rate of 15% per annum on a cash pay basis;
 - Interest shall be paid semi-annually;
 - [Financial maintenance covenant to be reasonably agreed upon between the Borrower and the Required Backstop Lenders prior to the Confirmation Hearing];
 - Callable at 105% throughout term and at maturity;
 - Third lien on collateral; Upon repayment in full (not via a refinancing) of the Term Loan, collateral shall become a second lien;
 - Covenant of no additional senior secured indebtedness outside of the ABL Credit Facility and Term Loan Facility;
 - Once the Term Loan is fully redeemed, on a semi-annual basis the excess cash flow sweep shall be available and offered to repurchase outstanding indebtedness under New Second Lien Take-Back Note at 102.5% of the face value repurchased (the "New Second Lien Take-Back Note Paydown") and to make certain Restricted Payments (as will be further defined in substance; the "Restricted Payment Allowance") in respect of the following ratios of Total Debt to EBITDA (the "Total Leverage Ratio") [minimum required level of EBITDA subject to discussion]:
 - **>3.00x:** 75% New Second Lien Take-Back Note Paydown/25% Restricted Payment Allowance
 - **2.00x - 3.00x:** 50% New Second Lien Take-Back Note Paydown/50% Restricted Payment Allowance
 - **1.50x – 2.00x:** 25% New Second Lien Take-Back Note Paydown/75% Restricted Payment Allowance
 - **<1.5x:** 15% New Second Lien take-Back Note Paydown/85% Restricted Payment Allowance;
 - “Total Leverage Ratio” to include average daily balance of ABL loans;
 - Limitations on the incurrence of debt senior to the New Second Lien Take-Back Note via direct contractual prohibition of new senior indebtedness;

- Change of control put at 110% for non-affiliates (non-Steering Committee members);
 - For transfer to affiliates (Steering Committee members) - 10% premium payable in PIK as of the change of control event (e.g., added to the principal amount of the New Second Lien Take-Back Note);
- Borrower will obtain rating from two credit agencies (presumably S&P and Moody's); and
- Other terms and conditions that are in form and substance reasonably satisfactory to the Required Backstop Lenders and the Debtors.

EXHIBIT B

PROVISION FOR TRANSFER AGREEMENT

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Backstop Commitment Agreement (the "**Agreement**"),¹ dated as of [DATE], 2012, by and among the Debtors, and the Backstop Lenders, including the transferor (the "**Transferor**") to the Transferee of any Backstop Commitments thereunder, and agrees to be bound by the terms and conditions thereof to the extent Transferor was thereby bound, and shall be deemed a Backstop Lender under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Backstop Commitment Agreement.

Date Executed: _____, 2012

Name of Transferee: _____
By: _____
Title: _____

Address: _____

Attention: _____
Telephone: _____
Facsimile: _____

Transferor's Backstop Commitment	
Backstop Commitment Amount	\$

¹ Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.