
CREDIT AND GUARANTEE AGREEMENT

Dated as of August 26, 2009

among

RDA HOLDING CO.,
a Debtor and Debtor-in-Possession, as a Guarantor,

THE READER'S DIGEST ASSOCIATION, INC.,
a Debtor and Debtor-in-Possession, as Borrower,

THE OTHER GUARANTORS NAMED HEREIN,
each a Debtor and Debtor-in-Possession,

The Lenders Party Hereto

and

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

J.P. MORGAN SECURITIES INC.,
as Sole Lead Arranger and Sole Bookrunner,

and

GENERAL ELECTRIC CAPITAL CORPORATION,
as Senior Managing Agent

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ANNEX 1	Exit Term Sheet
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CREDIT AND GUARANTEE AGREEMENT

This CREDIT AND GUARANTEE AGREEMENT (“**Agreement**”) is entered into as of August 26, 2009, among RDA HOLDING CO., a Delaware corporation (“**Holdings**”), which is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, THE READER’S DIGEST ASSOCIATION, INC., a Delaware corporation (the “**Borrower**”), which is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, each of the other direct and indirect Domestic Subsidiaries of the Borrower signatory hereto (such Subsidiaries, collectively with Holdings, the “**Guarantors**” and, collectively with the Borrower, the “**Debtors**” and each a “**Debtor**”), each of which Guarantors is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (the cases of the Debtors, each a “**Case**” and, collectively, the “**Cases**”), JPMORGAN CHASE BANK, N.A., as Administrative Agent and Syndication Agent, and each lender from time to time party hereto (collectively, the “**Lenders**” and each a “**Lender**”).

PRELIMINARY STATEMENTS

On August 24, 2009 (the “**Petition Date**”), the Debtors filed voluntary petitions with the Bankruptcy Court (such term and other capitalized terms used in these preliminary statements being used with the meanings given to such terms in Section 1.01) initiating the Cases and have continued in the possession of their assets and in the management of their businesses pursuant to Bankruptcy Code Sections 1107 and 1108.

Pursuant to this Agreement and the Orders, the Lenders are making available to the Borrower a \$150,000,000 debtor-in-possession term loan facility (the “**Facility**”).

The proceeds of the Loans will be used for working capital and other general corporate purposes of the Borrower, the other Loan Parties and their respective Subsidiaries (including without limitation, for the payment of fees and expenses incurred in connection with entering into this Agreement, the Cases and the transactions contemplated hereby and cash collateralization of letters of credit), in all cases subject to the terms of this Agreement and the Orders.

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

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

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

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

Interests in one or more Foreign Subsidiaries (any Equity Interests so excluded, collectively, the “**Excluded Equity Interests**”);

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

(e) pursuant to Bankruptcy Code Section 364(d)(1) a perfected first priority (subject to permitted exceptions), senior priming Lien on (x) all present and after-acquired property of the Debtors that is subject to a Lien on or after the Petition Date to secure the Debtors’ Prepetition Obligations, excluding, in all cases, the Excluded Equity Interests, (y) all present and after-acquired assets that are presently subject to Liens that are junior to the Liens that secure the Debtors’ Prepetition Obligations, excluding, in all cases, any Excluded Equity Interests and (z) the Liens granted after the Petition Date to provide adequate protection in respect of the Prepetition Obligations.

Accordingly, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

“**Administrative Agent**” means JPMorgan Chase Bank, in its capacity as administrative agent under any of the Loan Documents, or any permitted successor administrative agent.

“**Administrative Agent’s Office**” means the Administrative Agent’s address and, as appropriate, account as set forth in Section 12.02 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders in writing (including by electronic mail or by posting to Intralinks or other similar information transmission systems).

“**Administrative Questionnaire**” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“**Affiliate**” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“**Agent-Related Persons**” means the Agents, together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

“**Agents**” means, collectively, the Administrative Agent, the Syndication Agent and the Supplemental Administrative Agents (if any).

“**Aggregate Commitments**” means the Commitments of all the Lenders.

“**Agreement**” has the meaning specified in the introductory paragraph hereto.

“**Alternative Currency**” means Sterling, Euros, Canadian Dollars or Australian Dollars.

“**Applicable Rate**” means a percentage per annum equal to: (a) initially, (i) 9.0% with respect to Base Rate Loans and (ii) 10.0% with respect to Eurodollar Rate Loans and (b) from and after May 26, 2010 (assuming the Twelve Month Facility Extension Option is exercised), (i) 10.0% with respect to Base Rate Loans and (ii) 11.0% with respect to Eurodollar Rate Loans.

“**Approved Bank**” has the meaning specified in clause (c) of the definition of “Cash Equivalents”.

“**Approved Fund**” means any Fund that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

“**Arranger**” means J.P. Morgan Securities Inc., in its capacity as Sole Lead Arranger and Sole Bookrunner under this Agreement.

“**Assignees**” has the meaning specified in Section 12.07(b).

“**Assignment and Assumption**” means an Assignment and Assumption substantially in the form of Exhibit D.

“**Attorney Costs**” means and includes all reasonable fees, expenses and disbursements of any law firm or other external legal counsel.

“**Attributable Indebtedness**” means, on any date, in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

“**Audited Financial Statements**” means the audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as of each of June 30, 2006, June 30, 2007 and June 30, 2008, and the related audited consolidated statements of income, stockholders’ equity and cash flows for the Borrower and its consolidated Subsidiaries for the periods ended on such dates.

“**Australian Dollars**” means the lawful currency of Australia.

“**Bankruptcy Code**” means the Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. §§101 et seq.

“**Bankruptcy Court**” means the United States Bankruptcy Court for the Southern District of New York, or any other court having jurisdiction over the Cases from time to time.

“**Base Rate**” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by JPMorgan Chase Bank as its “prime rate” and (c) the Eurodollar Rate for a Eurodollar Rate Loan denominated in Dollars with a one month Interest Period plus 1%. The “prime rate” is a rate set by JPMorgan Chase Bank based upon various factors including JPMorgan Chase Bank

costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by JPMorgan Chase Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“**Base Rate Loan**” means a Loan that bears interest based on the Base Rate.

“**Board**” means the Board of Governors of the Federal Reserve System of the United States (or any successor).

“**Borrower**” has the meaning specified in the introductory paragraph to this Agreement.

“**Borrowing**” means a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by the Lenders pursuant to Section 2.01.

“**Budget**” means the consolidated forecasts of the consolidated income statement, balance sheet and cash flows of Holdings and its Subsidiaries for each fiscal month of fiscal year 2010 starting from September thereof and each fiscal quarter of fiscal year 2011, including the material assumptions on which such forecasts were based (including, but not limited to, future cost reduction initiatives), and setting forth the anticipated disbursements and uses of the Loans.

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located or in The City of New York; *provided*, that when used in connection with a Eurodollar Rate Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Dollars in the London interbank market.

“**Canadian Dollars**” means the lawful currency of Canada.

“**Capital Expenditures**” means, for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that are required to be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries, but excluding (i) such expenditures that are made with all or any portion of any Net Cash Proceeds which are reinvested, (ii) capitalized interest and (iii) such expenditures for which such Person is reimbursed in cash by a third party (other than any Group Member).

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

“**Carve Out**” has the meaning specified in Section 2.12(a).

“**Case**” has the meaning specified in the introductory paragraph to this Agreement.

“**Cash Collateral**” has the meaning specified in Section 363(a) of the Bankruptcy Code.

“**Cash Equivalents**” means any of the following types of Investments, to the extent owned by the Borrower or any Subsidiary:

- (a) Dollars, Euros or other Alternative Currency or, in the case of any Foreign Subsidiary, such local currencies held by it from time to time in the ordinary course of business;
- (b) marketable obligations issued or directly and fully guaranteed or insured by the government or any agency or instrumentality of (i) the United States or (ii) any member nation of the European Union, having average maturities of not more than 12 months from the date of acquisition thereof; *provided* that the full faith and credit of the United States or a member nation of the European Union is pledged in support thereof;
- (c) time deposits with, or certificates of deposit, overnight bank deposits or bankers’ acceptances issued or guaranteed by, or money market deposit accounts issued or offered by, any commercial bank that (i) is a Lender or (ii) (A) is organized under the Laws of the United States, any state thereof, the District of Columbia or any member nation of the Organization for Economic Cooperation and Development or is the principal banking Subsidiary of a bank holding company organized under the Laws of the United States, any state thereof, the District of Columbia or any member nation of the Organization for Economic Cooperation and Development, and is a member of the Federal Reserve System, and (B) has combined capital and surplus of at least \$250,000,000 (any such bank in the foregoing clauses (i) or (ii) being an “**Approved Bank**”), in each case with average maturities of not more than 12 months from the date of acquisition thereof;
- (d) commercial paper and variable or fixed rate notes issued by an Approved Bank (or by the parent company thereof) or any commercial paper or any variable or fixed rate note issued by, or guaranteed by, a corporation rated A-2 (or the equivalent thereof) or better by S&P or P-2 (or the equivalent thereof) or better by Moody’s, in each case with average maturities of not more than 12 months from the date of acquisition thereof;
- (e) fully collateralized repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer, in each case, having capital and surplus in excess of \$250,000,000 for direct obligations issued by or fully guaranteed or insured by the government or any agency or instrumentality of (i) the United States or (ii) any member nation of the European Union;
- (f) securities with average maturities of 12 months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government having an investment grade rating from either S&P or Moody’s (or the equivalent thereof);
- (g) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody’s;
- (h) instruments equivalent to those referred to in clauses (a) through (g) above denominated in Euros or other Alternative Currency or any other foreign currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably

required in connection with any business conducted by any Subsidiary organized in such jurisdiction; and

(i) Investments in money market investment or similar programs which are registered under the Investment Company Act of 1940 or which are administered by financial institutions having capital of at least \$250,000,000, and, in either case, the portfolios of which are limited such that substantially all of such investments are of the character, quality and maturity described in clauses (a) through (h) of this definition.

“**Cash Flow Forecast**” has the meaning specified in Section 6.02(g).

“**Casualty Event**” means any event that gives rise to the receipt by Holdings, the Borrower or any Subsidiary of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

“**CERCLA**” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as subsequently amended.

“**CERCLIS**” means the Comprehensive Environmental Response, Compensation, and Liability Information System maintained by the U.S. Environmental Protection Agency.

“**Change of Control**” means the earliest to occur of:

(a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing more than 35% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of Holdings;

(b) the board of directors of Holdings ceasing to consist of a majority of the Continuing Directors; or

(c) Holdings ceasing to own, directly, all of the outstanding Equity Interests in the Borrower.

“**Charges**” has the meaning specified in Section 12.10.

“**Closing Date**” means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 4.01.

“**Code**” means the U.S. Internal Revenue Code of 1986.

“**Collateral**” means all property of the Loan Parties, now or hereafter acquired, as more particularly described and referred to as “DIP Collateral” in the Orders, and shall include any property upon which a Lien is purported to be created by this Agreement, any Collateral Document, the Orders or any additional orders of the Bankruptcy Court under the Cases (but shall exclude the L/C Cash Collateral and any Excluded Equity Interests).

“**Collateral and Guarantee Requirement**” means, at any time, the requirement that:

(a) the Administrative Agent shall have received each Collateral Document required to be delivered on the Closing Date pursuant to Section 4.01(a)(iii) or pursuant to Section 6.11 at such time, duly executed by each Loan Party thereto;

(b) all Obligations shall have been unconditionally guaranteed (the “**Guaranty**”) by Holdings and each Subsidiary that is a Domestic Subsidiary (other than (i) any Domestic Subsidiary substantially all of whose assets consist of Equity Interests of one or more Foreign Subsidiaries and (ii) Direct Holdings IP L.L.C. for so long as it is not a Debtor) (each, a “**Guarantor**”);

(c) the Obligations and the Guaranty shall have been secured by a security interest in (i) all the Equity Interests of the Borrower and (ii) all Equity Interests of each Subsidiary of the Borrower directly owned by the Borrower or any Guarantor, in each case having the priority required by the Orders; *provided* that pledges of Equity Interests of each Foreign Subsidiary, and of each Domestic Subsidiary substantially all of whose assets consist of Equity Interests of one or more Foreign Subsidiaries, shall be limited to 65% of the issued and outstanding Equity Interests of such Subsidiary at any time;

(d) except to the extent otherwise permitted hereunder or under any Collateral Document, (i) all Obligations and the Guaranty shall have been secured by a security interest in, and mortgages on, all tangible and intangible assets of the Borrower and each Guarantor, in each case with the priority required by the Orders and (ii) except as set forth in Section 6.16, all documents and instruments, including Uniform Commercial Code financing statements and filings made in respect of Intellectual Property constituting Collateral in the United States Patent and Trademark Office and the United States Copyright Office, reasonably requested by the Administrative Agent to be filed, registered or recorded to create the Liens intended to be created by the Collateral Documents and to perfect such Liens to the extent required by the Collateral Documents, and with the priority required by the Orders, shall have been filed, registered or recorded or delivered to the Administrative Agent for filing, registration or recording;

(e) none of the Collateral shall be subject to any Liens other than Liens permitted by Section 7.01; and

(f) except as set forth in Section 6.16, the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to any Material Real Property required to be delivered pursuant to Section 6.11 (the “**Mortgaged Properties**”) duly executed and delivered by the record owner of such property, (ii) a policy or policies of title insurance issued by a nationally recognized title insurance Borrower insuring the Lien of each such Mortgage as a valid Lien on the property described therein, free of any other Liens except as expressly permitted by Section 7.01, together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request, and (iii) such surveys, abstracts, appraisals, legal opinions and other documents as the Administrative Agent may reasonably request with respect to any such Mortgaged Property.

The foregoing definition shall not require the obtaining of title insurance or surveys with respect to Mortgaged Properties if and for so long as, in the reasonable judgment of the Administrative Agent, the cost of obtaining title insurance or surveys in respect of such Mortgaged Properties shall be excessive in view of the benefits to be obtained by the Lenders therefrom. The Administrative Agent may grant extensions of time for the obtaining of title insurance with respect to Mortgaged Properties where it reasonably determines, in consultation with the Borrower, that obtaining such title insurance cannot be

accomplished without undue effort or expense by the time or times at which it would otherwise be required by this Agreement or the Collateral Documents.

Notwithstanding the foregoing provisions of this definition or anything in this Agreement or any other Loan Document to the contrary, Liens required to be granted from time to time pursuant to the Collateral and Guarantee Requirement shall be subject to exceptions and limitations set forth in the Collateral Documents as in effect on the Closing Date and, to the extent appropriate in the applicable jurisdiction, as agreed between the Administrative Agent and the Borrower.

“Collateral Documents” means, collectively, the Security Agreement, the Mortgages, Security Agreement Supplements, security agreements, pledge agreements or other similar agreements delivered to the Administrative Agent and the Lenders pursuant to Section 6.11 and each of the other agreements, instruments or documents that creates or purports to create a Lien or Guarantee in favor of the Administrative Agent for the benefit of the Secured Parties. The Collateral Documents shall not limit the grant of Collateral pursuant to the Orders.

“Commitment” means as to each Lender, its obligation to make Loans to the Borrower pursuant to Section 2.01 in an aggregate principal amount not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01 under the caption “Commitment” or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement. The initial aggregate amount of the Commitments is \$150,000,000.

“Commitment Termination Date” means the earliest of (i) the Second Effective Date and (ii) the Termination Date.

“Committed Loan Notice” means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, pursuant to Section 2.02(a), which shall be substantially in the form of Exhibit A.

“Committee” has the meaning specified in Section 2.12(a).

“Compensation Period” has the meaning specified in Section 2.10(c)(ii).

“Compliance Certificate” means a certificate substantially in the form of Exhibit C.

“Confirmation Order” means an order of the Bankruptcy Court confirming the Reorganization Plan.

“Conforming Plan” means a Reorganization Plan (a) substantially consistent with the Restructuring Support Agreement and otherwise in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders or (b) that provides for the termination of the Commitments and payment in full in cash of the Obligations on the Effective Date.

“Consolidated Cash” has the meaning specified in Section 2.03(b)(i)(C).

“Consolidated EBITDA” means, for any period, the Consolidated Net Income for such period, plus:

(a) without duplication and to the extent already deducted (and not added back) in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) total interest expense and, to the extent not reflected in such total interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk, net of interest income and gains on such hedging obligations, and costs of surety bonds in connection with financing activities,

(ii) taxes and provision for taxes, including taxes based on income, profits or capital of the Borrower and its Subsidiaries and state, franchise and similar taxes and foreign withholding taxes paid or accrued during such period,

(iii) depreciation and amortization,

(iv) Non-Cash Charges,

(v) (i) any costs, fees, expenses or disbursements of attorneys, consultants or advisors to the Borrower and its Subsidiaries and to the Committee, in each case, incurred in connection with the events leading up to and the ongoing administration of the Cases, the Reorganization Plan and any other financial restructuring and the negotiation, execution and documentation of the Facility, the Exit Credit Agreement and any amendments, waivers or other modifications to the Prepetition Credit Agreement or this Agreement, together with any such costs, fees, expenses or disbursements paid to the attorneys, consultants and advisors of the agents and lenders in connection therewith, and (ii) any upfront, arrangement or other fees paid by the Loan Parties in connection with the Facility and the Exit Facility,

(vi) Controllable Restructuring Costs in an aggregate amount not to exceed \$30,000,000 during the term of this Agreement,

(vii) charges, premiums and expenses associated with the discharge of Prepetition Indebtedness,

(viii) any costs or expenses incurred by the Borrower or a Subsidiary pursuant to any management equity plan or stock option plan or other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of Holdings,

(ix) expenses resulting from liability or casualty events,

(x) non-cash charges pursuant to SFAS 158, and

(xi) non-cash income or expenses from the continuation of purchase accounting adjustments in connection with the Transaction (as defined in the Prepetition Credit Agreement as in effect on the date hereof), *less*

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) extraordinary gains and unusual or non-recurring gains,

- (ii) non-cash gains (excluding any ordinary course non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period),
- (iii) gains on asset sales (other than asset sales in the ordinary course of business),
- (iv) any net after-tax income from the early extinguishment of Indebtedness or hedging obligations or other derivative instruments, and
- (v) all gains from sales of investments recorded using the equity method,

in each case, as determined on a consolidated basis for the Borrower and its Subsidiaries in accordance with GAAP; *provided that*, to the extent included in Consolidated Net Income,

- (i) there shall be excluded in determining Consolidated EBITDA currency translation gains and losses related to currency measurements of Indebtedness (including the net loss or gain resulting from Swap Contracts for currency exchange risk),
- (ii) there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of Statement of Financial Accounting Standards No. 133, and
- (iii) there shall be excluded in determining Consolidated EBITDA for any period the Disposed EBITDA (as defined in the Prepetition Credit Agreement as in effect on the date hereof) of any Person, property, business or asset sold, transferred or otherwise disposed of closed or classified as discontinued operations by the Borrower or any Subsidiary during such period (each such Person, property, business or asset so sold or disposed of, a “**Sold Entity or Business**”), based on the actual Disposed EBITDA of such Sold Entity or Business for such period (including the portion thereof occurring prior to such sale, transfer or disposition).

For the purpose of the definition of Consolidated EBITDA, “**Non-Cash Charges**” means (a) non-cash losses on asset sales, disposals or abandonments (other than of current assets), (b) any impairment charge or asset write-off related to intangible assets, long-lived assets, and investments in debt and equity securities pursuant to GAAP, (c) all losses from investments recorded using the equity method, (d) stock-based awards compensation expense, and (e) other non-cash charges (*provided that* if any non-cash charges referred to in this clause (e) represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA in such future period to such extent, and excluding non-cash charges consisting of amortization of a prepaid cash item that was paid in a prior period). Notwithstanding the foregoing, Consolidated EBITDA for the fiscal months ending September 30, 2008, October 31, 2008, November 30, 2008, December 31, 2008, January 31, 2009, February 28, 2009, March 31, 2009, April 30, 2009, May 31, 2009 and June 30, 2009 shall be deemed to be \$4,118,000, \$16,082,000, \$19,488,000, \$29,378,000, \$(5,712,000), \$8,681,000, \$12,934,000, \$26,704,000, \$14,554,000 and \$42,061,000, respectively.

“**Consolidated Fixed Charge Coverage Ratio**” means, for any Test Period, the ratio of (a) Consolidated EBITDA for such Test Period to (b) Consolidated Fixed Charges for such Test Period.

“**Consolidated Fixed Charges**” means, for any Test Period, the sum (without duplication) of (a) Consolidated Interest Expense for such Test Period, (b) the aggregate amount actually

paid by the Group Members during such Test Period on account of Capital Expenditures other than Capital Expenditures, to the extent financed with any proceeds from Indebtedness (other than any Loans) and (c) scheduled payments made during such Test Period on account of principal of Indebtedness of any Group Member (excluding principal payments made in connection with the Prepetition Credit Agreement (other than the Prepetition Euro Term Loans)).

“**Consolidated Interest Expense**” means, for any Test Period, that portion of interest expense (including that attributable to Capital Lease Obligations) paid or accrued under GAAP for such Test Period that is currently payable in cash for such Test Period with respect to all outstanding Indebtedness of Holdings and its Subsidiaries; *provided*, that Consolidated Interest Expense for any Test Period shall exclude (a) any amortization or write-off of deferred financing fees during such Test Period, (b) premiums paid in connection with the discharge of Indebtedness, (c) interest expense in connection with the Senior Subordinated Notes and (d) interest expense in connection with the Prepetition Credit Agreement (other than the Prepetition Euro Term Loans; *provided, further*, that Consolidated Interest Expense for any Test Period shall include for the period prior to the Closing Date interest expense in connection with the Facility as if \$150,000,000 of Loans had been made on the first day of such Test Period).

“**Consolidated Net Income**” means, for any period, the net income (loss) of the Borrower and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding, without duplication, (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of Holdings or is merged into or consolidated with Holdings or any of its Subsidiaries and (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by (or such deficit is actually distributed to) the Borrower or such Subsidiary in the form of dividends or similar distributions.

“**Continuing Directors**” means the directors of Holdings on the Closing Date and each other director, if, in each case, such other directors’ nomination for election to the board of directors of Holdings is recommended by a majority of the then Continuing Directors.

“**Contractual Obligation**” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“**Control**” has the meaning specified in the definition of “Affiliate.”

“**Controllable Restructuring Costs**” means non-recurring and other one-time costs incurred by the Borrower or its Subsidiaries in connection with the reorganization of its and its Subsidiaries’ business, operations and structure, including, without limitation, relating to the sale or closing of facilities, establishment of telephone hotlines, the hiring of temporary employees, severance, stay bonuses and curtailments or modifications to pension and post-retirement employee benefit plans, asset writedowns or asset disposals (including leased facilities), writedowns for purchase and lease commitments, start up costs for new facilities, writedowns of excess, obsolete or unbalanced inventories, relocation costs, including costs of moving and relocating personnel, equipment, facilities, personal property and inventory, which are not otherwise capitalized and any related promotional costs of exiting products or product lines and other restructuring costs associated with the Cases (to the extent not otherwise contemplated by the definition of Consolidated EBITDA).

“**Debt Issuance**” means the issuance by any Person and its Subsidiaries of any Indebtedness for borrowed money.

“**Debtor**” has the meaning specified in the introductory paragraph to this Agreement.

“**Debtor Relief Laws**” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally (including, in the case of Loan Parties incorporated or organized in England or Wales, administration, administrative receivership, voluntary arrangement and schemes of arrangement).

“**Default**” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“**Default Rate**” means an interest rate equal to (a) the Base Rate plus (b) the Applicable Rate applicable to Base Rate Loans plus (c) 2.0% per annum; *provided* that with respect to the principal amount of any Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including the Applicable Rate) otherwise applicable to such Loan plus 2.0% per annum, in each case, to the fullest extent permitted by applicable Laws.

“**Defaulting Lender**” means any Lender that (a) has failed to fund any portion of the Loans required to be funded by it hereunder within one (1) Business Day of the date required to be funded by it hereunder, unless subsequently cured, (b) has otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one (1) Business Day of the date when due, unless subsequently cured, (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding or (d) has failed to comply with its obligation under Section 2.17.

“**Designated Non-Debtors**” means the Non-Debtors set forth on Schedule 1.01.

“**Disposition**” or “**Dispose**” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction and any sale of Equity Interests held in another Person) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith; and, other than for purposes of Section 2.03(b)(i), shall include any issuance by a Person of any of its Equity Interests to another Person.

“**Disqualified Equity Interests**” means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof (other than solely for Qualified Equity Interests), in whole or in part, (c) requires the scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the Maturity Date of the Loans.

“**Dollar**” and “**\$**” mean lawful money of the United States.

“**Domestic Subsidiary**” means any Subsidiary that is organized under the Laws of the United States, any state thereof or the District of Columbia.

“**Effective Date**” means the effective date of the Reorganization Plan.

“**Eligible Assignee**” means any Assignee permitted by and consented to in accordance with Section 12.07(b).

“**EMU**” means the economic and monetary union in accordance with the Treaty of Rome 1957, as amended by the Single European Act 1986, the Maastricht Treaty of 1992 and the Amsterdam Treaty of 1998.

“**EMU Legislation**” means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“**Environmental Laws**” means any and all Laws (including common law) relating to pollution, the protection of the environment, natural resources, or, to the extent relating to exposure to hazardous substances, human health or to the release of any pollutants into the environment, including those related to air emissions and discharges to public water or waste treatment systems.

“**Environmental Liability**” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“**Environmental Permit**” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“**Equity Interests**” means, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other ownership or profit interests or units in) such Person and all of the warrants, options or other rights for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities).

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“**ERISA Affiliate**” means any trade or business (whether or not incorporated) that is under common control with any Loan Party within the meaning of Section 4001 of ERISA.

“**ERISA Event**” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by any Loan Party or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by any Loan Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 or Title IV of ERISA); (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but

not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate; (g) a determination that any Pension Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (h) the filing pursuant to Section 412 of the Code or Section 303 of ERISA of an application for a waiver of the minimum funding standard with respect to any Pension Plan, the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Pension Plan or the failure of any Loan Party or any ERISA Affiliates to make any required contribution to a Multiemployer Plan; or (i) any failure by any Pension Plan to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived.

“**Escrow Account**” has the meaning specified in Section 2.03(b)(i)(C).

“**Euro**” and “**€**” means the lawful currency of the Participating Member States introduced in accordance with EMU Legislation.

“**Eurodollar Rate**” means, for any Interest Period with respect to any Eurodollar Rate Loan:

(a) the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate that appears on the page of the Reuters Screen LIBOR01 Page (or any successor thereto) that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, or, if different, the date on which quotations would customarily be provided by leading banks in the London Interbank Market for deposits of amounts in the relevant currency for delivery on the first day of such Interest Period, or

(b) if the rate referenced in the preceding clause (a) does not appear on such page or service or such page or service shall not be available, the rate per annum equal to the rate determined by the Administrative Agent to be the offered rate on such other page or other service that displays an average British Bankers Association Interest Settlement Rate for deposits in Dollars (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period, determined as of approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, or, if different, the date on which quotations would customarily be provided by leading banks in the London Interbank Market for deposits of amounts in the relevant currency for delivery on the first day of such Interest Period, or

(c) if the rates referenced in the preceding clauses (a) and (b) are not available, the rate per annum determined by the Administrative Agent as the rate of interest at which deposits in Dollars for delivery on the first day of such Interest Period in Same Day Funds in the approximate amount of the Eurodollar Rate Loan being made, continued or converted by JPMorgan Chase Bank and with a term equivalent to such Interest Period would be offered by JPMorgan Chase Bank’s London Branch to major banks in the London interbank eurodollar market at their request at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period or, if different, the date on which quotations would customarily be provided by leading banks in the London Interbank Market for deposits of amounts in the relevant currency for delivery on the first day of such Interest Period;

provided, that in no event shall the Eurodollar Rate be less than 3.50%.

“**Eurodollar Rate Loan**” means a Loan that bears interest at a rate based on the Eurodollar Rate.

“**Event of Default**” has the meaning specified in Section 8.01.

“**Event of Default Notice**” has the meaning specified in Section 2.12(a).

“**Exchange Act**” means the Securities Exchange Act of 1934.

“**Excluded Equity Interests**” has the meaning specified in the preliminary statements to this Agreement.

“**Exchange Rate**” means on any day with respect to any currency other than Dollars, the rate at which such currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m. (London time) on such day on the Reuters World Currency Page for such currency; in the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two Business Days later.

“**Excluded Taxes**” has the meaning specified in Section 3.01(f).

“**Exit Credit Agreement**” has the meaning specified in Section 2.17.

“**Exit Facility**” means the loans outstanding under the Exit Credit Agreement.

“**Exit Facility Documentation**” has the meaning specified in Section 2.17.

“**Exit Term Sheet**” means the Summary of The Reader’s Digest Association, Inc. Exit Capital Structure and Debt Facilities attached hereto as Annex 1.

“**Facility**” has the meaning specified in the preliminary statements to this Agreement.

“**Federal Funds Rate**” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to JPMorgan Chase Bank on such day on such transactions as determined by the Administrative Agent.

“**Final Loan**” has the meaning specified in Section 2.01.

“**Final Order**” means an order of the Bankruptcy Court entered in the Cases, in substantially the form of the Interim Order, with such modifications thereto as are in form and substance

reasonably satisfactory to the Administrative Agent and (to the extent of any material changes from the Interim Order) the Required Lenders.

“**Final Order Entry Date**” means the date the Final Order is entered in the Cases.

“**First Effective Date**” means the first date following the Closing Date that the conditions precedent set forth in Sections 4.01 and 4.03 shall have been satisfied (or waived in accordance with Section 12.01) (which in no event shall be more than five (5) Business Days following the Interim Order Entry Date (or such later date as the Administrative Agent may agree in its sole discretion)).

“**Foreign Benefit Arrangement**” means any employee benefit arrangement mandated by non-U.S. law that is maintained or contributed to by any Loan party or any ERISA Affiliate.

“**Foreign Jurisdiction Deposit**” means a deposit or Guarantee incurred in the ordinary course of business and required by any Governmental Authority in a foreign jurisdiction as a condition of doing business in such jurisdiction.

“**Foreign Plan**” means each employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to U.S. law and is maintained or contributed to by any Loan Party or any ERISA Affiliate.

“**Foreign Lender**” has the meaning specified in Section 12.15.

“**Foreign Subsidiary**” means any direct or indirect Subsidiary of the Borrower which is not a Domestic Subsidiary.

“**Fund**” means any Person (other than a natural person) that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course.

“**GAAP**” means generally accepted accounting principles in the United States of America, as in effect from time to time; *provided*, that for purposes of Section 7.10, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements of the Borrower prior to the date hereof.

“**Governmental Authority**” means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“**Granting Lender**” has the meaning specified in Section 12.07(h).

“**Group Member**” means Holdings, the Borrower and their respective Subsidiaries.

“**Guarantee**” means, as to any Person, without duplication, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other monetary obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other monetary obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or monetary other obligation of the

payment or performance of such Indebtedness or other monetary obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other monetary obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other monetary obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other monetary obligation of any other Person, whether or not such Indebtedness or monetary other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); *provided* that the term “Guarantee” shall not include endorsements for collection or deposit, in either case in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“**Guarantors**” has the meaning specified in the definition of “Collateral and Guarantee Requirement”.

“**Guaranty**” has the meaning specified in the definition of “Collateral and Guarantee Requirement”.

“**Hazardous Materials**” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to or that could give rise to any liability under any Environmental Law.

“**Holdings**” has the meaning specified in the introductory paragraph to this Agreement.

“**Holdings PIK Preferred**” means the collective reference to the Junior PIK Preferred Stock and the Series A PIK Preferred Stock of Holdings.

“**Indebtedness**” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) the maximum amount (after giving effect to any prior drawings or reductions which may have been reimbursed) of all letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than (i) trade accounts payable in the ordinary course of business, (ii) any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP, (iii) deferred or equity compensation arrangements payable to directors, officers or employees and (iv) any such obligation to pay royalties or commissions to authors);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person to purchase, redeem, retire or otherwise acquire for value any Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall (A) include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, except to the extent such Person's liability for such Indebtedness is otherwise limited and only to the extent such Indebtedness would be included as Indebtedness on a consolidated balance sheet of the Borrower in accordance with GAAP and (B) in the case of Holdings and its Subsidiaries, exclude (i) customer deposits and advances and interest payable thereon in the ordinary course of business consistent with past practice and in accordance with customary trade terms and other obligations incurred in the ordinary course of business consistent with past practice through credit on an open account basis customarily extended to such Person, (ii) statutory or other legal requirements to make deposits in connection with sweepstakes or similar contests, or surety bonds or letters of credit posted pursuant to such requirements and (iii) obligations under overdraft arrangements with banks outside the United States incurred in the ordinary course of business consistent with past practice to cover working capital needs. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of Indebtedness of any Person for purposes of clause (e) shall be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

“**Indemnified Liabilities**” has the meaning specified in Section 12.05.

“**Indemnitees**” has the meaning specified in Section 12.05.

“**Information**” has the meaning specified in Section 12.08.

“**Initial Cash Flow Forecast**” has the meaning specified in Section 4.01(i).

“**Initial Loan**” has the meaning specified in Section 2.01.

“**Intellectual Property**” has the meaning set forth in the Security Agreement.

“**Intercompany Note**” has the meaning specified in Section 7.02(c).

“**Interest Payment Date**” means, (a) as to any Eurodollar Rate Loan, the last day of each consecutive 30 day period running from the commencement of the Interest Period applicable to such Loan and the Termination Date; and (b) as to any Base Rate Loan, the last Business Day of each month and the Termination Date.

“**Interest Period**” means, as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter, as selected by the Borrower in its Committed Loan Notice; *provided that*:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

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

(c) no Interest Period shall extend beyond the Maturity Date.

“**Interim Availability Amount**” has the meaning specified in Section 4.01(e).

“**Interim Order**” means an order of the Bankruptcy Court entered in the Cases granting interim approval of the transactions involving the Debtors contemplated by this Agreement and the other Loan Documents and granting the Liens on the Collateral and the Superpriority Claims described in the preliminary statements to this Agreement in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit G hereto, and otherwise in form and substance reasonably satisfactory to the Administrative Agent and (to the extent of any material changes from Exhibit G) the Required Lenders.

“**Interim Order Entry Date**” means the date the Interim Order is entered in the Cases.

“**Investment**” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person or (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“**J.H. Cohn**” means J.H. Cohn, LLP, and any successor thereto.

“**JPMorgan Chase Bank**” means JPMorgan Chase Bank, N.A., and any successor thereto.

“**Junior Financing**” has the meaning specified in Section 7.14.

“**Junior Financing Documentation**” means any documentation governing any Junior Financing.

“**Laws**” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities.

“**L/C Cash Collateral**” means the cash collateral pledged in support of the Prepetition Letters of Credit and other letters of credit pursuant to Section 7.01(u).

“**Lender**” has the meaning specified in the introductory paragraph to this Agreement.

“**Lending Office**” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“**Lien**” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or preferential arrangement intended to create a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Capital Lease Obligation having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, “Lien” shall not include any license or sublicense of Intellectual Property, provided that such license or sublicense is not intended to create a security interest of any kind or nature whatsoever.

“**Liquidity**” means, on any date of determination, the sum, without duplication, of (i) the cash and Cash Equivalents which are not subject to any Liens (other than Liens permitted pursuant to Section 7.01(a), (b), (c), (d), (e), (f), (l) or (u)) held by the Borrower and its Subsidiaries on such date plus (ii) the Aggregate Commitments on such date (provided that such amount shall be deemed to be zero if a Default has occurred and is continuing on such date) plus (iii) the aggregate amount which is available to be drawn under any loan agreements or other lines of credit of the Borrower and its Subsidiaries on such date (for the avoidance of doubt, after giving effect to any limitation on borrowing thereunder, including but not limited to the absence of default or other non-compliance with covenants).

“**Loans**” has the meaning specified in Section 2.01.

“**Loan Documents**” means, collectively, (i) this Agreement, (ii) the Notes and (iii) the Collateral Documents.

“**Loan Parties**” means, collectively, the Borrower and each Guarantor.

“**Master Agreement**” has the meaning specified in the definition of “Swap Contract.”

“**Material Adverse Effect**” means any event, development or circumstance that, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on (a) the business, property, operations or financial condition of Holdings and its Subsidiaries, taken as a whole (other than (i) any events leading up to the filing of the Cases disclosed to the Lenders, (ii) the filing of the Cases and (iii) those events which customarily occur following the commencement of a proceeding under Chapter 11 of the Bankruptcy Code and other events ancillary thereto), or (b) the validity or enforceability of this Agreement or any of the other Loan Documents or the rights and remedies of the Administrative Agent and the Lenders hereunder or thereunder.

“**Material Real Property**” means, on any date, any real property owned by any Loan Party with a fair market value as of such date in excess of \$2,500,000; *provided*, that the property at 5400

South 60th Street, Greendale, Wisconsin, owned by Reiman Media Group, Inc., shall not be deemed to be a Material Real Property.

“**Maturity Date**” means May 26, 2010; *provided*, that upon the effectiveness of the Twelve Month Facility Extension Option, the Maturity Date shall be August 26, 2010.

“**Maximum Rate**” has the meaning specified in Section 12.10.

“**Moelis**” means Moelis & Company LLC, and any successor thereto.

“**Moody’s**” means Moody’s Investors Service, Inc. and any successor thereto.

“**Mortgage**” means, collectively, the deeds of trust, trust deeds, hypothecs and mortgages made by the Loan Parties in favor or for the benefit of the Administrative Agent on behalf of the Lenders in a form reasonably satisfactory to the Administrative Agent, and any other mortgages executed and delivered pursuant to Section 6.11.

“**Mortgaged Properties**” has the meaning specified in paragraph (g) of the definition of Collateral and Guarantee Requirement.

“**Multiemployer Plan**” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“**Net Cash Proceeds**” means:

(a) with respect to the Disposition of any asset by Holdings, the Borrower or any Subsidiary or any Casualty Event, an amount equal to (i) the sum of cash and Cash Equivalents received in connection with such Disposition or Casualty Event (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received and, with respect to any Casualty Event, any insurance proceeds or condemnation awards in respect of such Casualty Event actually received by or paid to or for the account of Holdings, the Borrower or any Subsidiary) less (ii) the sum of (A) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness that is secured by a Lien expressly permitted hereunder (and not junior to the Liens securing the Obligations) on the asset subject to such Disposition or Casualty Event and that is required to be repaid (and is repaid) in connection with such Disposition or Casualty Event (other than Indebtedness under the Loan Documents and other than to the extent the holders of such Indebtedness are required to turnover any such proceeds to any or all of the Lenders), (B) the out-of-pocket expenses (including attorneys’ fees, investment banking fees, accounting fees and other professional and transactional fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary commissions and fees) actually incurred by Holdings, the Borrower or such Subsidiary in connection with such Disposition or Casualty Event, (C) taxes paid or reasonably estimated to be actually payable in connection therewith and (D) any reserve for adjustment in accordance with GAAP in respect of (x) the sale price of such asset or assets and (y) any liabilities associated with such asset or assets and retained by Holdings, the Borrower or any Subsidiary after such sale or other disposition thereof, including pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction, and it being

understood that “Net Cash Proceeds” shall include (i) any cash or Cash Equivalents received upon the Disposition of any non-cash consideration received by Holdings, the Borrower or any Subsidiary in any such Disposition and (ii) an amount equal to any reversal (without the satisfaction of any applicable liabilities in cash in a corresponding amount) of any reserve described in clause (C) or (D) above at the time of such reversal; and

(b) with respect to the incurrence or issuance of any Indebtedness or Equity Interests by Holdings, the Borrower or any Subsidiary, an amount equal to (i) the sum of the cash received in connection with such incurrence or issuance less (ii) the attorneys’ fees, investment banking fees, accountants’ fees, underwriting or other discounts, commissions, costs and other out-of-pocket fees, transfer and similar taxes and other customary out-of-pocket expenses actually incurred by Holdings, the Borrower or such Subsidiary in connection with such incurrence or issuance.

“**Non-Cash Charges**” has the meaning specified in the definition of the term “Consolidated EBITDA”.

“**Non-Consenting Lenders**” has the meaning specified in Section 3.07(c).

“**Non-Debtor**” means any Group Member that is not a Debtor.

“**Note**” means a promissory note of the Borrower payable to any Lender, in substantially the form of Exhibit B hereto, evidencing the aggregate Indebtedness of the Borrower to Lender resulting from the Loans made by such Lender.

“**NPL**” means the National Priorities List under CERCLA.

“**Obligations**” means all monetary obligations of any Loan Party and its Subsidiaries arising under any Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including, with respect to any such obligations of a Non-Debtor, interest and fees that accrue after the commencement by or against any Loan Party or Subsidiary of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Loan Parties under the Loan Documents (and of their Subsidiaries to the extent they have obligations under the Loan Documents) include (x) the obligation (including guarantee obligations) to pay principal, interest, reimbursement obligations, charges, expenses, fees, Attorney Costs, indemnities, and other amounts payable by any Loan Party or its Subsidiaries under any Loan Document and (y) the obligation of any Loan Party or any of its Subsidiaries to reimburse any amount in respect of any of the foregoing that any Lender, in its sole discretion, may elect to pay or advance on behalf of such Loan Party or such Subsidiary.

“**Orders**” means the collective reference to the Interim Order and the Final Order.

“**Organization Documents**” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the

jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“**Other Taxes**” has the meaning specified in Section 3.01(b).

“**Outstanding Amount**” means, on any date, the aggregate principal amount of Loans outstanding after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

“**Participant**” has the meaning specified in Section 12.07(e).

“**Participating Member State**” means each state so described in any EMU Legislation.

“**Patriot Act**” means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

“**PBGC**” means the Pension Benefit Guaranty Corporation.

“**Pension Plan**” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA and is sponsored or maintained by any Loan Party or any ERISA Affiliate or to which any Loan Party or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five (5) plan years.

“**Permitted Refinancing**” means, with respect to any Person, any modification, refinancing, refunding, renewal or extension of any Indebtedness of such Person; *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended, except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder, (b) such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of the Indebtedness so modified, refinanced, refunded, renewed or extended, (c) such modification, refinancing, refunding, renewal or extension has a Weighted Average Life to Maturity equal to or greater than the remaining Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended and in any event has a final maturity date later than the date that is nine months following the initial Maturity Date, (d) at the time thereof, no Default or Event of Default shall have occurred and be continuing, (e) to the extent such Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the Obligations or subordinated in respect of any Collateral, such modification, refinancing, refunding, renewal or extension is subordinated in right of payment to the Obligations and/or subordinated in respect of such Collateral, as the case may be, on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed or extended and (e) the terms and conditions (including, if applicable, as to collateral but excluding as to subordination, interest rate or other pricing terms and redemption or prepayment premium) of any such modified, refinanced, refunded, renewed or extended Indebtedness, taken as a whole, are not materially less favorable to the Lenders than the terms and conditions of the Indebtedness being modified, refinanced, refunded, renewed or extended.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Petition Date**” has the meaning specified in the preliminary statements to this Agreement.

“**Plan**” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) (other than a Multiemployer Plan) established by any Loan Party or, with respect to any such plan that is subject to Section 412 of the Code or Section 302 or Title IV of ERISA, any ERISA Affiliate.

“**Pledged Debt**” has the meaning specified in the Security Agreement.

“**Pledged Equity**” has the meaning specified in the Security Agreement.

“**Prepetition Agent**” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Prepetition Lenders.

“**Prepetition Credit Agreement**” means the Credit Agreement, dated as of March 2, 2007, among Doctor Acquisition Co., RDA Holding Co., the Borrower, the Overseas Borrowers party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, as amended, supplemented, waived or otherwise modified from time to time.

“**Prepetition Euro Term Loans**” means the Euro Term Loans (as defined in the Prepetition Credit Agreement as in effect on the date hereof).

“**Prepetition Lenders**” means the several banks and other financial institutions and entities from time to time parties to the Prepetition Credit Agreement.

“**Prepetition Letters of Credit**” has the meaning specified in Section 4.01(k).

“**Prepetition Loan Documents**” means the Prepetition Credit Agreement, the Collateral Documents (as defined in the Prepetition Credit Agreement) and the Notes (as defined in the Prepetition Credit Agreement) and any amendment, waiver, supplement or other modification to any of the foregoing.

“**Prepetition Obligations**” means all of the Group Members’ obligations incurred under, pursuant to or in connection with the Prepetition Credit Agreement and all of the collateral and ancillary documents executed and delivered in connection therewith.

“**Prepetition Secured Parties**” means the Prepetition Agent, the Prepetition Lenders and any other holder of Prepetition Obligations.

“**Prohibited Claim**” means any action or objection with respect to (a) claims of the Prepetition Secured Parties against the Debtors or the Liens which secure the Prepetition Obligations, (b) the Superpriority Claims or Liens granted to the Administrative Agent and the Lenders pursuant to Section 2.12(a) and (b), or (c) the Superpriority Claims or Liens granted to the Prepetition Secured Parties pursuant to Section 2.12(c).

“**Pro Rata Share**” means, with respect to each Lender at any time a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount equal to the sum of (a) the Commitments of such Lender plus (b) the outstanding Loans of such Lender at such time

and the denominator of which is the amount equal to the sum of (i) the Aggregate Commitments plus (ii) the outstanding Loans at such time.

“Qualified Equity Interests” means any Equity Interests that are not Disqualified Equity Interests.

“Register” has the meaning specified in Section 12.07(d).

“Reorganization Plan” means a plan of reorganization in the Cases.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA or the regulations issued thereunder, other than events for which the thirty (30) day notice period has been waived.

“Required Lenders” means, as of any date of determination, Lenders having more than 50% of the sum of the (a) aggregate Outstanding Amount of all Loans and (b) aggregate unused Commitments.

“Requirement of Law” means, as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer or controller or other similar officer of a Loan Party and, as to any document delivered on the Closing Date, any secretary or assistant secretary of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of Holdings, the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to Holdings or the Borrower’s stockholders, partners or members (or the equivalent Persons thereof).

“Restructuring Support Agreement” has the meaning specified in the Exit Term Sheet.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

“Same Day Funds” means immediately available funds.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Second Effective Date” means the first date following the Final Order Entry Date that the conditions precedent set forth in Sections 4.01, 4.02 and 4.03 shall have been satisfied (which in no event shall be more than five (5) Business Days following the Final Order Entry Date (or such later date as the Administrative Agent may agree in its sole discretion)).

“**Secured Obligations**” has the meaning specified in the Security Agreement.

“**Secured Parties**” means, collectively, the Administrative Agent, the other Agents, the Lenders, any Affiliate of a Lender to which Obligations are owed, the Supplemental Administrative Agent and each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.01(b).

“**Securities Act**” means the Securities Act of 1933.

“**Security Agreement**” means, collectively, the Security Agreement executed by Holdings, the Borrower and each Guarantor, substantially in the form of Exhibit E, together with each other security agreement supplement executed and delivered pursuant to Section 6.11.

“**Security Agreement Supplement**” has the meaning specified in the Security Agreement.

“**Senior Subordinated Note Indenture**” means the Indenture, dated as of March 2, 2007, entered into by the Borrower and certain of its Subsidiaries and The Bank of New York, as trustee, in connection with the issuance of the Senior Subordinated Notes, together with all instruments and other agreements entered into by the Borrower or such Subsidiaries in connection therewith.

“**Senior Subordinated Notes**” means the \$600,000,000 aggregate principal amount of 9.0% senior subordinated notes due 2017 of the Borrower issued pursuant to the Senior Subordinated Note Indenture.

“**Solvent**” and “**Solvency**” mean, with respect to any Person on any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay such debts and liabilities as they become absolute and matured and (d) such Person is not engaged in any business, as conducted on such date and as proposed to be conducted following such date, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“**SPC**” has the meaning specified in Section 12.07(h).

“**Specified Lenders**” means, collectively, the Lenders from time to time comprising the steering committee designated by JPMorgan Chase Bank in connection with this Agreement and the ongoing administration of the Cases; *provided*, that there shall at no time be more than ten Lenders on the steering committee (counting all affiliated Lenders as one for purposes of this proviso).

“**Specified Proceeds**” has the meaning specified in Section 2.03(b)(i)(C).

“**Sponsors**” means Ripplewood Holdings L.L.C. and its Affiliates, but not including, however, any portfolio companies of any of the foregoing.

“**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the

maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the relevant Lender is subject for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Rate Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“**Sterling**” means the lawful currency of the United Kingdom.

“**Subsidiary**” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower.

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

“**Supplemental Administrative Agent**” has the meaning specified in Section 9.13 and “Supplemental Administrative Agents” shall have the corresponding meaning.

“**Swap Contract**” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “**Master Agreement**”), including any such obligations or liabilities under any Master Agreement.

“**Swap Termination Value**” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“**Syndication Agent**” means JPMorgan Chase Bank, N.A., as Syndication Agent under this Agreement.

“**Taxes**” has the meaning specified in Section 3.01(a).

“**Termination Date**” means the earliest to occur of (a) the Maturity Date, (b) the date that is forty-five (45) days (or such later date as the Administrative Agent and the Required Lenders may agree in their sole discretion) after entry of the Interim Order if the Final Order has not been entered prior thereto, (c) the Effective Date and (d) the acceleration of the Loans and, in connection therewith, the termination of the unused Commitments in accordance with the terms hereof.

“**Test Period**” means, for any determination under this Agreement, the period beginning on the first day of the fiscal month that is twelve fiscal months prior to the applicable fiscal month and ending on the last day of such fiscal month (taken as one accounting period) in respect of which financial statements for each fiscal month, quarter or year in such period have been (or have been required to be) delivered pursuant to Section 6.01(a), (b) or (c), as applicable.

“**Threshold Amount**” means \$1,000,000, in the case of the Debtors, and \$5,000,000, in the case of the Non-Debtors.

“**Twelve Month Facility Extension Option**” has the meaning specified in Section 2.16.

“**Type**” means, with respect to a Loan, its character as a Base Rate Loan or a Eurodollar Rate Loan.

“**Unaudited Financial Statements**” means the unaudited consolidated balance sheets and related statements of income, stockholders’ equity and cash flows of the Borrower and its Consolidated Subsidiaries for each subsequent fiscal quarter ended after the fiscal year ended June 30, 2008 for which and to the extent such financial statements are available prior to the Closing Date.

“**Uniform Commercial Code**” means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

“**United States**” and “**U.S.**” mean the United States of America.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness.

“**wholly owned**” means, with respect to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (x) director’s qualifying shares and (y) shares issued to foreign nationals to the extent required by applicable Law) are owned by such Person and/or by one or more wholly owned Subsidiaries of such Person.

Section 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) (i) The words “herein,” “hereto,” “hereof” and “hereunder” and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(ii) Article, Section, Exhibit and Schedule references are to the Loan Document in which such reference appears.

(iii) The term “including” is by way of example and not limitation.

(iv) The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(c) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(d) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

Section 1.03 Accounting Terms. (a) All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Holdings, the Borrower or any of their respective Subsidiaries at “fair value”, as defined therein.

Section 1.04 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.05 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including the Loan Documents) and other contractual instruments shall be deemed to include all subsequent amendments, restatements, extensions, supplements and other modifications thereto, but only to the extent that such amendments, restatements, extensions, supplements and other modifications are permitted by any Loan Document; and (b) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

Section 1.06 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.07 Timing of Payment of Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment (other than as described in the definition of Interest Period) or performance shall extend to the immediately succeeding Business Day.

Section 1.08 Currency Equivalents Generally. Any amount specified in this Agreement (other than in Articles II, IX, and X) or any of the other Loan Documents to be in Dollars shall also include the equivalent of such amount in any currency other than Dollars, such equivalent amount to be determined at the rate of exchange quoted by the Reuters World Currency Page for the applicable currency at 11:00 a.m. (London time) on such day (or, in the event such rate does not appear on any Reuters World Currency Page, by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 10:00 a.m. (New York City time) on such date for the purchase of Dollars for delivery two Business Days later). Notwithstanding the foregoing, for purposes of determining compliance with Section 7.01, 7.02 and Section 7.03 with respect to any amount of Indebtedness or Investment in a currency other than Dollars, no Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness or Investment is incurred; *provided* that, for the avoidance of doubt, the foregoing provisions of this Section 1.08 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred at any time under such Sections.

Section 1.09 Change of Currency. Each provision of this Agreement shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify with the Borrower's consent to appropriately reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

Section 2.01 The Loans. Subject to the terms and conditions set forth herein, each Lender (i) severally agrees to make a term loan (an "**Initial Loan**") denominated in Dollars to the Borrower on the First Effective Date in an amount not to exceed such Lender's Commitment on such date; *provided*, that the aggregate principal amount of Initial Loans shall not exceed the Interim Availability Amount and (ii) severally agrees to make a term loan (a "**Final Loan**" and, together with the Initial Loans, the "**Loans**") denominated in Dollars to the Borrower on the Second Effective Date in an amount not to exceed such Lender's Commitment on such date; *provided*, that the aggregate principal amount of Final Loans, when combined with the aggregate principal amount of the Initial Loans made on the First Effective Date, shall not exceed that aggregate principal amount of Loans permitted to be made to the Borrower pursuant to the Orders. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed. Loans may be Base Rate Loans or Eurodollar Rate Loans, as further provided herein.

Section 2.02 Borrowings, Conversions and Continuations of Loans. (a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than (i) 12:30 p.m. (New York

time) three (3) Business Days prior to the requested date of any Borrowing or continuation of Eurodollar Rate Loans or any conversion of Base Rate Loans to Eurodollar Rate Loans, and (ii) 11:00 a.m. (New York time) on the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Eurodollar Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Committed Loan Notice or fails to give a timely notice requesting a conversion or continuation, then the Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one (1) month.

(b) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Pro Rata Share of the Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans or continuation described in Section 2.02(a). In the case of each Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in Same Day Funds at the Administrative Agent's Office not later than 1:00 p.m. (New York time) on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.03 (and, if such Borrowing is of Initial Loans, Section 4.01, and, if such Borrowing is of Final Loans, Section 4.02, the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of JPMorgan Chase Bank with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of an Interest Period for such Eurodollar Rate Loan unless the Borrower pays the amount due, if any, under Section 3.05 in connection therewith.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. The determination of the Eurodollar Rate by the Administrative Agent shall be conclusive in the absence of manifest error. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in JPMorgan Chase Bank prime rate used in determining the Base Rate promptly following the public announcement of such change.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than ten (10) Interest Periods in effect.

(f) The failure of any Lender to make the Loan to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Loan on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Loan to be made by such other Lender on the date of any Borrowing.

Section 2.03 Prepayments. (a) *Optional*. The Borrower may, upon notice to the Administrative Agent, at any time or from time to time voluntarily prepay Loans in whole or in part without premium or penalty (except as provided in Section 2.07(b)); provided that (1) such notice must be received by the Administrative Agent not later than 12:30 p.m. (New York time) (A) three (3) Business Days prior to any date of prepayment of Eurodollar Rate Loans and (B) on the date of prepayment of Base Rate Loans; (2) any prepayment of Eurodollar Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (3) any prepayment of Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.05. Each prepayment of the Loans pursuant to this Section 2.03(a) shall be paid to the Lenders in accordance with their respective Pro Rata Shares.

(b) *Mandatory*.

(i) (A) If (x) Holdings, the Borrower or any Subsidiary Disposes of any property or assets (other than any Disposition of any property or assets permitted by Section 7.05(a), (b), (c), (d), (e), (f), (g) or (h)) or (y) any Casualty Event occurs, which in the aggregate results in the realization or receipt by Holdings, the Borrower or such Subsidiary of Net Cash Proceeds, the Borrower shall cause to be prepaid on or prior to the date which is three (3) Business Days, or five (5) Business Days if the first recipient of such Net Cash Proceeds is a Foreign Subsidiary, after the date of the realization or receipt of such Net Cash Proceeds, Loans in an amount equal to 100% of all Net Cash Proceeds received; *provided* that up to \$5,000,000 in the aggregate of Net Cash Proceeds from Dispositions may be excluded from the prepayment of Loan required by this Section 2.03(b)(i)(A); *provided further* that no such prepayment shall be required pursuant to this Section 2.03(b)(i)(A) with respect to such portion of such Net Cash Proceeds that the Borrower shall have, on or prior to such date, given written notice to the Administrative Agent of its intent to reinvest in accordance with Section 2.03(b)(i)(B);

(B) With respect to any Net Cash Proceeds realized or received with respect to any Disposition (subject to the prepayment requirements in Section 2.03(b)(i)(A)) or any Casualty Event, at the option of the Borrower the Borrower may reinvest (x) all or any portion of such Net Cash Proceeds received on account of Dispositions in the Borrower's or a Subsidiary's business (subject to the limitations of this Agreement) within 90 days following receipt of such Net Cash Proceeds or (y) all or any portion of such Net Cash Proceeds received on account of Casualty Events to replace or repair the affected property within 180 days following receipt of such Net Cash Proceeds; *provided* that an amount equal to any such Net Cash Proceeds shall be applied within three (3) Business Days after such Net Cash Proceeds cannot be so reinvested or the Borrower reasonably determines that such Net Cash Proceeds are no longer intended to be so reinvested to the prepayment of the Loans as set forth in this Section 2.03; *provided further* that, notwithstanding the foregoing, the aggregate Net Cash Proceeds that may be excluded from the prepayment of Loans required by Section 2.03(b)(i)(A) by reinvestment pursuant to this Section

2.03(b)(i)(B) shall not exceed \$4,000,000 in the aggregate during the term of this Agreement for all Dispositions and Casualty Events (except that, in addition, up to \$8,000,000 in the aggregate from Casualty Events may be reinvested pursuant to the foregoing procedures to replace or repair the affected property).

(C) Up to \$25,000,000 in the aggregate of Net Cash Proceeds from Dispositions permitted by Section 7.05(i) (less the amount of Net Cash Proceeds of any such Disposition excluded from the prepayment of Loans pursuant to the first proviso of Section 2.03(b)(i)(A) or pursuant to Section 2.03(b)(i)(B)) shall be excluded from the prepayment of Loans required by Section 2.03(b)(i)(A); *provided* that the Net Cash Proceeds or an amount equal to such Net Cash Proceeds of such Dispositions (the “**Specified Proceeds**”) are deposited in a domestic escrow account of a Debtor with the Administrative Agent which is pledged as Collateral for the Secured Parties (the “**Escrow Account**”) on terms and conditions reasonably satisfactory to the Administrative Agent pending disbursement. All or a portion of any Specified Proceeds may be released from the Escrow Account to the extent the terms of use of such released Specified Proceeds are approved by (x) if at the time of such disbursement and after giving effect thereto, the Group Members shall have no more than \$90,000,000 in cash and Cash Equivalents on a consolidated basis (including, for the avoidance of doubt, the proceeds of the Loans, but excluding the Specified Proceeds not so disbursed) (the “**Consolidated Cash**”), the Required Lenders, or (y) if at the time of such disbursement and after giving effect thereto, Consolidated Cash is greater than \$90,000,000 but less than or equal to \$125,000,000 Lenders holding more than 66 $\frac{2}{3}$ % of the aggregate amount of the Loans and unused Commitments. Any Specified Proceeds not so disbursed prior to the earlier of (1) March 31, 2010 and (2) the Termination Date shall be applied to prepay the Loans on such earlier date; *provided*, that, notwithstanding anything to the contrary herein and irrespective of the amount of Consolidated Cash at such time, the Required Lenders may, not more than two weeks prior to the earlier of (a) March 31, 2010 and (b) the Termination Date (unless the Termination Date is caused by the events described in clause (b) or (d) of the definition thereof), release some or all of the remaining Specified Proceeds on terms reasonably acceptable to them.

(ii) If Holdings, the Borrower or any Subsidiary incurs or issues any Indebtedness or Equity Interests (other than Indebtedness expressly permitted to be incurred or issued pursuant to Section 7.03 and Equity Interests issued to Holdings, the Borrower or any Subsidiary in accordance with Section 7.02 (in each case, without prejudice to the restrictions therein)), the Borrower shall cause to be prepaid Loans in an amount equal to 100% of all Net Cash Proceeds received therefrom on or prior to the date of the receipt of such Net Cash Proceeds.

(iii) Each prepayment of Loans pursuant to this Section 2.03(b) shall be paid to the Lenders in accordance with their respective Pro Rata Shares.

(iv) The Borrower shall notify the Administrative Agent in writing of any mandatory prepayment of Loans required to be made pursuant to this Section 2.03(b) at least three (3) Business Days prior to the date of such prepayment. Each such notice shall specify the date of such prepayment and provide a reasonably detailed calculation of the amount of such prepayment. The Administrative Agent will promptly notify each Lender of the contents of the Borrower’s prepayment notice and of such Lender’s Pro Rata Share of the prepayment.

(c) All prepayments under this Section 2.03 shall be made together with, in the case of any such prepayment of a Eurodollar Rate Loan on a date other than the last day of an Interest Period therefor, any amounts owing in respect of such Eurodollar Rate Loan pursuant to Section 3.05.

Section 2.04 Termination or Reduction of Commitments. (a) *Optional.* The Borrower may, upon written notice to the Administrative Agent, terminate the unused Commitments, or from time to time permanently reduce the unused Commitments; *provided* that (i) any such notice shall be received by the Administrative Agent three (3) Business Days prior to the date of termination or reduction and (ii) any such partial reduction shall be in an aggregate amount of \$1,000,000 or any whole multiple of \$500,000 in excess thereof (or, if less, the remaining amount of the Commitments).

(b) *Mandatory.* The Commitment of each Lender shall be automatically and permanently reduced to \$0 at 11:59 p.m. (New York time) on the Commitment Termination Date, after giving effect to any Borrowing on such date.

(c) *Application of Commitment Reductions; Payment of Fees.* The Administrative Agent will promptly notify the Lenders of any termination or reduction of the unused Commitments under this Section 2.04. Upon any reduction of unused Commitments, the Commitment of each Lender shall be reduced by such Lender's Pro Rata Share of the amount by which the Commitments are reduced (other than the termination of the Commitment of any Lender as provided in Section 3.07). All commitment fees accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

Section 2.05 Repayment of Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders, on the Termination Date, the aggregate principal amount of all Loans outstanding on such date.

Section 2.06 Interest. (a) Subject to the provisions of Section 2.06(b), (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Eurodollar Rate for such Interest Period plus the Applicable Rate; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b) If any Event of Default shall have occurred and be continuing, all outstanding Loans and other Obligations under the Loan Documents (whether or not overdue at such time) shall bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Notwithstanding the foregoing, interest accruing pursuant to Section 2.06(b) shall be payable from time to time on demand. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

Section 2.07 Fees.

(a) *Commitment Fee.* The Borrower shall pay to the Administrative Agent, for the account of each Lender in accordance with its Pro Rata Share, a commitment fee in Dollars equal to 2.0% times the average daily amount of the Aggregate Commitment; *provided* that any commitment fee accrued with respect to any of the Commitments of a Defaulting Lender during the period prior to the time such Lender became a Defaulting Lender and unpaid at such time shall not be payable by the Borrower so long as such Lender shall be a Defaulting Lender except to the extent that such commitment fee shall otherwise have been due and payable by the Borrower prior to such time; and *provided further* that notwithstanding anything in Section 2.11 to the contrary, no commitment fee shall accrue on, or be payable in respect of, any of the Commitments of a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

The commitment fee shall accrue at all times from the Closing Date until the Commitments have been used or terminated, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable monthly in arrears on the last Business Day of each month, commencing with the first such date to occur after the Closing Date, and on the Termination Date.

(b) *Exit Fees.* (i) On any date on which any Loans are prepaid or repaid or the Commitments are terminated or reduced (except as a result of the making of a Loan), the Borrower shall pay on such date to the Administrative Agent for the account of each Lender, an exit fee in an amount equal to 1.0% of the aggregate amount of Loans so prepaid or so repaid or Commitments terminated or reduced, as the case may be; *provided*, that, for the avoidance of doubt, such fee shall not be paid on the amount of the Loan continued under the Exit Credit Agreement pursuant to Section 2.17, which Loans are the subject of Section 2.07(b)(ii) below; *provided, further*, that if any Non-Consenting Lender is replaced pursuant to Section 3.07, such replaced Non-Consenting Lender shall not be paid an exit fee hereunder (and, for the avoidance of doubt, the exit fees of each other Lender (including the assignee of such replaced Non-Consenting Lender) shall continue to be payable on the date of any prepayment or repayment Loans or termination or reduction of the Commitments).

(ii) To the extent any Loans are continued under the Exit Credit Agreement pursuant to Section 2.17, the Borrower shall pay to the Administrative Agent, for the account of the Lenders, a fee in an amount equal to 3.0% of the aggregate principal amount of the Loans so continued.

(c) *Other Fees.* The Borrower shall pay to the Agents such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever (except as expressly agreed between the Borrower and the applicable Agent).

Section 2.08 Computation of Interest and Fees. All computations of interest for Base Rate Loans when the Base Rate is determined by JPMorgan Chase Bank's "prime rate" shall be made on the basis of a year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a three hundred and sixty (360) day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid; provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one (1) day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error. The Administrative Agent shall, upon the reasonable request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.06(a).

Section 2.09 Evidence of Indebtedness. (a) The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and evidenced by one or more entries in the Register maintained by the Administrative Agent, acting solely for purposes of Treasury Regulation Section 5f.103-1(c), as agent for the Borrower, in each case in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be prima facie evidence absent manifest error of the amount of the Loans made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any

Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note payable to such Lender, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) Entries made in good faith by the Administrative Agent in the Register pursuant to Section 2.09(a), and by each Lender in its account or accounts pursuant to Sections 2.09(a), shall be *prima facie* evidence of the amount of principal and interest due and payable or to become due and payable from the Borrower to, in the case of the Register, each Lender and, in the case of such account or accounts, such Lender, under this Agreement and the other Loan Documents, absent manifest error; *provided* that the failure of the Administrative Agent or such Lender to make an entry, or any finding that an entry is incorrect, in the Register or such account or accounts shall not limit or otherwise affect the obligations of the Borrower under this Agreement and the other Loan Documents.

Section 2.10 Payments Generally. (a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in Same Day Funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. (New York time) shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue.

(b) If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be; *provided* that, if such extension would cause payment of interest on or principal of Eurodollar Rate Loans to be made in the next succeeding calendar month, such payment shall be made on the immediately preceding Business Day.

(c) Unless the Borrower or any Lender has notified the Administrative Agent, prior to the time any payment is required to be made by it to the Administrative Agent hereunder, that the Borrower or such Lender, as the case may be, will not make such payment, the Administrative Agent may assume that the Borrower or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Administrative Agent in Same Day Funds, then:

(i) if the Borrower failed to make such payment, each Lender shall forthwith on demand repay to the Administrative Agent the portion of such assumed payment that was made available to such Lender in Same Day Funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Administrative Agent to such Lender to the date such amount is repaid to the Administrative Agent in Same Day Funds at the Federal Funds Rate from time to time in effect; and

(ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Administrative Agent the amount thereof in Same Day Funds, together with interest thereon for the period from the date such amount was made available by the Administrative Agent to the Borrower to the date such amount is recovered by the Administrative Agent (the "**Compensation Period**") at a rate per

annum equal to the Federal Funds Rate from time to time in effect. When such Lender makes payment to the Administrative Agent (together with all accrued interest thereon), then such payment amount (excluding the amount of any interest which may have accrued and been paid in respect of such late payment) shall constitute such Lender's Loan included in the applicable Borrowing. If such Lender does not pay such amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent may make a demand therefor upon the Borrower, and the Borrower shall pay such amount to the Administrative Agent, together with interest thereon for the Compensation Period at a rate per annum equal to the rate of interest applicable to the applicable Borrowing. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitment or to prejudice any rights which the Administrative Agent or the Borrower may have against any Lender as a result of any default by such Lender hereunder.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this Section 2.10(c) shall be conclusive, absent manifest error.

(d) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Borrowing set forth in Article IV are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(e) The obligations of the Lenders hereunder to make Loans are several and not joint. The failure of any Lender to make any Loan on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan.

(f) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(g) Whenever any payment received by the Administrative Agent under this Agreement or any of the other Loan Documents is insufficient to pay in full all amounts due and payable to the Administrative Agent and the Lenders under or in respect of this Agreement and the other Loan Documents on any date, such payment shall be distributed by the Administrative Agent and applied by the Administrative Agent and the Lenders in the order of priority set forth in Section 11.03. If the Administrative Agent receives funds for application to the Obligations of the Loan Parties under or in respect of the Loan Documents under circumstances for which the Loan Documents do not specify the manner in which such funds are to be applied, the Administrative Agent may, but at the direction of Required Lenders shall, elect to distribute such funds to each of the Lenders in accordance with such Lender's Pro Rata Share of the Outstanding Amount of all Loans outstanding at such time, in repayment or prepayment of such of the outstanding Loans or other Obligations then owing to such Lender.

Section 2.11 Sharing of Payments. If, other than as expressly provided elsewhere herein, any Lender shall obtain on account of the Loans made by it any payment (whether voluntary, involuntary, through the exercise of any right of setoff, or otherwise) in excess of its ratable share (or other share contemplated hereunder) thereof, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) purchase from the other Lenders such participations in the Loans made by them as shall be necessary to cause such purchasing Lender to share the excess payment in respect of such Loans pro rata with each of them; provided that if all or any portion of such excess payment is thereafter recovered from the purchasing Lender under any of the circumstances described in Section 12.06 (including

pursuant to any settlement entered into by the purchasing Lender in its discretion), such purchase shall to that extent be rescinded and each other Lender shall repay to the purchasing Lender the purchase price paid therefor, together with an amount equal to such paying Lender's ratable share (according to the proportion of (i) the amount of such paying Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered, without further interest thereon. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 12.09) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.11 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.11 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

Section 2.12 Priority and Liens. (a) The Debtors hereby covenant, represent and warrant that, upon entry of the Interim Order (and the Final Order, as applicable), the Obligations of the Debtors hereunder and under the other Loan Documents, and the obligations of the Debtors pursuant to Article X, (i) pursuant to Section 364(c)(1) of the Bankruptcy Code, shall at all times constitute allowed Superpriority Claims, (ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, shall be secured by a perfected first priority Lien on all Collateral that is otherwise not encumbered by a valid, perfected and non-avoidable Lien as of the Petition Date or a valid Lien perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code, excluding claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code (it being understood that, notwithstanding such exclusion, upon entry of the Final Order, to the extent approved by the Bankruptcy Court, such Lien shall attach to any proceeds thereof), (iii) pursuant to Section 364(c)(3) of the Bankruptcy Code, shall be secured by a perfected junior Lien upon all Collateral that is subject to (A) valid, perfected and non-avoidable Liens (other than to secure the Debtors' Prepetition Obligations) in existence on the Petition Date or valid Liens perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code and (B) other than as provided in clause (iv) below, post-Petition Date Liens permitted hereunder, and (iv) pursuant to Section 364(d)(1) of the Bankruptcy Code, shall be secured by a perfected first priority senior priming Lien upon all Collateral (x) that is subject to a valid Lien or security interest in effect on the Petition Date to secure the Debtors' Prepetition Obligations, (y) that is subject to a Lien granted after the Petition Date to provide adequate protection in respect of the Debtors' Prepetition Obligations or (z) that is subject to a valid Lien in effect on the Petition Date that is junior to the Liens that secure the Debtors' Prepetition Obligations, subject and subordinate in each case with respect to subclauses (i) through (iv) above, only to the Carve Out. For purposes hereof, the "**Carve Out**" shall mean the sum of (A) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code and (B) the payment of accrued and unpaid professional fees and expenses (collectively, the "**Professional Fees**") incurred by lawyers or firms (collectively, the "**Professional Persons**") retained by the Debtors and any statutory committee appointed in the Cases (each a "**Committee**") and allowed by the Bankruptcy Court at any time after the first Business Day following the occurrence of an Event of Default and delivery of a written notice by the Administrative Agent (an "**Event of Default Notice**") to the Debtors and the Committee, in an aggregate amount not exceeding \$10,000,000 (plus all unpaid professional fees and expenses of Professional Persons allowed by the Bankruptcy Court at any time that were incurred prior to delivery of an Event of Default Notice); *provided*, that the Carve Out shall be inclusive of any expenses incurred by any Chapter 7 trustee, such

expenses not to exceed \$100,000 in the aggregate; *provided, further*, that (x) the Carve Out shall not be available to pay any such Professional Fees and expenses incurred in connection with the initiation or prosecution of any Prohibited Claims or the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Administrative Agent, the Lenders, the Prepetition Lenders or the Prepetition Agent, and (y) the Carve Out shall not be reduced by the payment of fees and expenses incurred prior to the Event of Default Notice and allowed by Bankruptcy Court and payable under Sections 328, 330 and 331 of the Bankruptcy Code. Notwithstanding anything herein to the contrary, the Carve Out shall not be used to commence or prosecute any Prohibited Claim. Notwithstanding anything to the contrary herein, the L/C Cash Collateral shall not be subject to the Carve Out, and the Carve Out, or any portion thereof, shall not be payable from the L/C Cash Collateral. Upon delivery of the Event of Default Notice, prior to making any distributions, the Debtors shall deposit an amount equal to the Professional Fees incurred and unpaid as of such time, plus an amount equal to the Carve Out in a segregated account to be utilized solely for the payment of Professional Fees, and the Administrative Agent, the Lenders, the Prepetition Agent and the Prepetition Lenders shall not hinder or delay the Debtor's compliance with the foregoing deposit requirement.

(b) As to all Collateral, including without limitation, all cash, Cash Equivalents and real property the title to which is held by any Debtor, or the possession of which is held by any Debtor in the form of a leasehold interest, each Debtor hereby assigns and conveys as security, grants a security interest in, hypothecates, mortgages, pledges and sets over unto the Administrative Agent, for the benefit of the Lenders and the other holders of the Obligations, all of the right, title and interest of the Borrower and such Guarantor in all of such Collateral, including without limitation, all cash, Cash Equivalents and owned real property and in all such leasehold interests, together in each case with all of the right, title and interest of the Borrower and such Guarantor in and to all buildings, improvements, and fixtures related thereto, any lease or sublease thereof, all general intangibles relating thereto and all proceeds thereof. Notwithstanding anything herein to the contrary, the Collateral shall not include the L/C Cash Collateral, and the Liens granted to the Administrative Agent shall not attach to, the L/C Cash Collateral, and the L/C Cash Collateral shall not be subject to the Superpriority Claims granted to the Lenders. The Borrower and each Guarantor acknowledges that, pursuant to and upon entry of the Orders, the Liens granted in favor of the Administrative Agent (on behalf of the Lenders) in all of the Collateral shall be perfected without the recordation of any Uniform Commercial Code financing statements, notices of Lien or other instruments of mortgage or assignment, subject to the terms and conditions set forth in the Orders. The Borrower and each Guarantor further agrees that (a) the Administrative Agent shall have the rights and remedies set forth in Article VIII and Article XI and the Orders in respect of the Collateral and (b) if requested by the Administrative Agent, the Borrower and each of the other Debtors shall enter into separate security agreements, pledge agreements and fee and leasehold mortgages with respect to such Collateral on terms reasonably satisfactory to the Administrative Agent.

(c) Each Debtor acknowledges and agrees that, pursuant to the terms, and upon the entry, of Orders, the Prepetition Secured Parties shall receive (a) as adequate protection for, and to the extent of, any diminution in the value of the Prepetition Secured Parties' respective interests in their collateral, whether resulting from the imposition of the automatic stay, the priming described in Section 2.12(a) above, the use of the Prepetition Secured Parties' cash collateral or the use, sale, lease or other diminution in value of the Prepetition Secured Parties' collateral (i) a Superpriority Claim junior only to the Carve Out and the Superpriority Claim granted to the Administrative Agent and the Lenders; and (ii) a replacement Lien on the Collateral having a priority immediately junior to the priming and other Liens granted in favor of the Administrative Agent and the Lenders hereunder and under the other Loan Documents and the Orders (subject and subordinate to the Carve Out and valid and perfected Liens which are senior (after giving effect to the Orders) to the Liens granted to the Administrative Agent and the Lenders pursuant to the Orders) and (b) as further adequate protection, the payment on a current basis of the reasonable fees and expenses (including, but not limited to, the reasonable fees and disbursements of

counsel and third-party consultants) incurred by the Prepetition Agent (including any unpaid prepetition fees and expenses). Notwithstanding anything herein to the contrary, such collateral and Liens granted to the Prepetition Secured Parties shall exclude the L/C Cash Collateral.

Section 2.13 Payment of Obligations. Upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents, the Lenders shall be entitled to immediate payment of such Obligations in full (in cash or pursuant to Section 2.17) without further application to or order of the Bankruptcy Court.

Section 2.14 No Discharge; Survival of Claims. Each Debtor agrees that to the extent its Obligations hereunder are not satisfied in full in cash (except as provided in Section 2.17), (a) its Obligations arising hereunder shall not be discharged by the entry of a Confirmation Order (and each Debtor, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (b) the Superpriority Claim granted to the Administrative Agent and the Lenders pursuant to the Orders and described in Section 2.12 and the Liens granted to the Administrative Agent pursuant to the Orders and described in Section 2.12 shall not be affected in any manner by the entry of a Confirmation Order.

Section 2.15 Conflicts. To the extent of any conflict between the provisions of this Agreement and provisions contained in the Interim Order (or the Final Order, as applicable), the provisions of the applicable Order shall govern.

Section 2.16 Twelve Month Facility Extension Option. The Borrower may extend the Maturity Date to August 26, 2010 (the “**Twelve Month Facility Extension Option**”) subject to, and the Maturity Date shall be so extended upon satisfaction of, the following conditions precedent:

- (i) the Borrower shall provide written notice to the Administrative Agent at least thirty (30) days and no more than forty-five (45) days prior to May 26, 2010 of its intention to exercise the Twelve Month Facility Extension Option;
- (ii) the Borrower shall pay a fee to the Administrative Agent on or before the initial Maturity Date for the account of the Lenders equal to 1.0% of the outstanding principal balance of the Loans as of the initial Maturity Date;
- (iii) the Loan Parties shall have filed with the Bankruptcy Court a plan of reorganization substantially consistent with the Restructuring Support Agreement and otherwise in form and substance reasonably acceptable to the Required Lenders;
- (iv) as of the initial Maturity Date, Liquidity shall be at least \$85,000,000;
- (v) no Default or Event of Default shall have occurred and be continuing as of the initial Maturity Date; and
- (vi) the representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document shall be true and correct in all material respects on and as of the initial Maturity Date; *provided* that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided, further* that, any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct in all respects on such respective dates.

The Administrative Agent will notify the Borrower and the Lenders upon the effectiveness of the Twelve Month Facility Extension Option.

Section 2.17 Conversion to Exit Facility; Implementation. (a) The Administrative Agent, the Lenders and the Loan Parties agree that subject to Section 2.17(b) below:

(i) the Borrower, in its capacity as reorganized The Reader's Digest Association, Inc. (and any successor thereto) in its capacity as a reorganized Debtor, and each Guarantor, in its capacity as a reorganized Debtor, to the extent such Person is required under the Exit Credit Agreement to continue to be a guarantor thereunder, shall assume all obligations in respect of the Loans hereunder and all other monetary obligations in respect hereof;

(ii) each Loan hereunder shall be continued or converted, as the case maybe, as a loan under the Exit Credit Agreement;

(iii) each Lender hereunder shall be a lender under the Exit Credit Agreement; and

(iv) this Agreement shall terminate and be superseded and replaced by the Exit Credit Agreement; in each case without any further consent or action required by the Administrative Agent or any Lender.

(b) Each Lender, severally and not jointly, hereby agrees to continue or convert, as the case may be, the Loans hereunder outstanding on the date of consummation of a Reorganization Plan that is substantially consistent with the Restructuring Support Agreement, subject to the satisfaction of the conditions set forth in the Exit Term Sheet and otherwise in accordance with the terms and conditions thereof, as loans under, and subject entirely and exclusively to the terms and provisions of, the definitive documentation to be agreed as set forth below (including a credit agreement, the "**Exit Credit Agreement**") and related documentation to the extent that such documentation is substantially consistent with the Exit Term Sheet and contains the express terms set forth in such Exit Term Sheet as determined by the Administrative Agent with the consent of the Required Lenders (such documentation, the "**Exit Facility Documentation**").

(c) It is agreed that the Administrative Agent, on its behalf and as agent for the Lenders, will negotiate in good faith the form and substance of the Exit Facility Documentation, which shall be in form and substance reasonably satisfactory to the Borrower, the Administrative Agent and the Required Lenders, and the Lenders hereby agree to be bound by the terms and provisions of the Exit Facility Documentation.

(d) The parties hereto jointly and severally agree that, in order to implement the foregoing, they shall use commercially reasonable efforts to have negotiated and completed a substantially final draft of the Exit Credit Agreement on or prior to the date that is 90 days after the Closing Date.

ARTICLE III

TAXES, INCREASED COSTS PROTECTION AND ILLEGALITY

Section 3.01 Taxes. (a) Except as provided in this Section 3.01, any and all payments by the Borrower to or for the account of any Agent or any Lender under any Loan Document shall be made free and clear of and without deduction for any and all present or future taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and all liabilities (including additions to tax, penalties and interest) with respect thereto, excluding in the case of each Agent and each Lender,

taxes imposed on or measured by its net income or overall gross income (including branch profits), and franchise (and similar) taxes imposed on it in lieu of net income taxes, by the jurisdiction (or any political subdivision thereof) under the Laws of which such Agent or such Lender, as the case may be, is organized, managed or controlled or maintains a Lending Office and all liabilities (including additions to tax, penalties and interest) with respect thereto. All non-excluded taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges, and liabilities described in the immediately preceding sentence are hereinafter referred to as “**Taxes**”. If the Borrower shall be required by any Laws to deduct any Taxes or Other Taxes from or in respect of any sum payable under any Loan Document to any Agent or any Lender, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.01), each of such Agent and such Lender receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions, (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable Laws, and (iv) within thirty (30) days after the date of such payment (or, if receipts or evidence are not available within thirty (30) days, as soon as possible thereafter), the Borrower shall furnish to such Agent or Lender (as the case may be) the original or a certified copy of a receipt evidencing payment thereof to the extent such a receipt is issued therefor. If the Borrower fails to pay any Taxes or Other Taxes when due to the appropriate taxing authority or fails to remit to any Agent or any Lender the required receipts or other required documentary evidence, the Borrower shall indemnify such Agent and such Lender for any incremental taxes, interest or penalties that may become payable by such Agent or such Lender arising out of such failure. Notwithstanding anything to the contrary in this Section 3.01(a), the Borrower shall not be required to increase the sum payable under any Loan Document, or to indemnify any Lender or Agent, with respect to Taxes that (i) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Borrower), are United States withholding taxes imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding taxes or (ii) are withholding taxes attributable to a Foreign Lender’s failure to comply with Section 12.15.

(b) In addition, the Borrower agrees to pay any and all present or future stamp, court or documentary taxes and any other excise, property, intangible or mortgage recording taxes or charges or similar levies which arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, any Loan Document (hereinafter referred to as “**Other Taxes**”).

(c) The Borrower agrees to indemnify each Agent and each Lender for (i) the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed or asserted by any jurisdiction on amounts payable under this Section 3.01) paid by such Agent and such Lender and (ii) any liability (including additions to tax, penalties, interest and expenses) arising therefrom or with respect thereto, in each case whether or not such Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided such Agent or Lender, as the case may be, provides the Borrower with a written statement thereof setting forth in reasonable detail the basis and calculation of such amounts. Payment under this Section 3.01(c) shall be made within thirty (30) days after the date such Lender or such Agent makes a demand therefor.

(d) If any Lender or Agent determines, in its reasonable discretion, that it has received a refund in respect of any Taxes or Other Taxes as to which indemnification or additional amounts have been paid to it by the Borrower pursuant to this Section 3.01, it shall promptly remit such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 3.01 with respect to the Taxes or Other Taxes giving rise to such refund plus any interest included

in such refund by the relevant taxing authority attributable thereto) to the Borrower, net of all reasonable out-of-pocket expenses of the Lender or Agent, as the case may be and without interest (other than any interest paid by the relevant taxing authority with respect to such refund); *provided* that the Borrower, upon the request of the Lender or Agent, as the case may be, agrees promptly to return such refund (plus any penalties, interest or other charges imposed by the relevant taxing authority) to such party in the event such party is required to repay such refund to the relevant taxing authority. Such Lender or Agent, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant taxing authority (*provided* that such Lender or Agent may delete any information therein that such Lender or Agent deems confidential). Nothing herein contained shall interfere with the right of a Lender or Agent to arrange its tax affairs in whatever manner it thinks fit or to make available its tax returns or disclose any information relating to its tax affairs or any computations in respect thereof or require any Lender or Agent to do anything that would prejudice its ability to benefit from any other refunds, credits, reliefs, remissions or repayments to which it may be entitled.

(e) Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 3.01(a) or (c) with respect to such Lender it will, if requested by the Borrower, use commercially reasonable efforts to designate another Lending Office for any Loan affected by such event; *provided* that such efforts are made on terms that, in the sole judgment exercised in good faith of such Lender, cause such Lender and its Lending Office(s) to suffer no economic, legal or regulatory disadvantage, and *provided further* that nothing in this Section 3.01(e) shall affect or postpone any of the Obligations of the Borrower or the rights of such Lender pursuant to Section 3.01(a) or (c).

(f) Each Lender shall indemnify the Administrative Agent, within 10 days after demand therefor, for the full amount of any taxes, duties, levies, imposts, deductions, assessments, fees, withholdings or similar charges with respect to which the Borrower is not required to pay additional amounts pursuant to Section 3.01(a) ("**Excluded Taxes**") attributable to such Lender that are payable or paid by the Administrative Agent, and interest, penalties and reasonable expenses arising therefrom or with respect thereto, whether or not such Excluded Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

Section 3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund Eurodollar Rate Loans, or to determine or charge interest rates based upon the Eurodollar Rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or promptly, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted and all amounts due, if any, in connection with such prepayment or conversion under Section 3.05. Each Lender agrees to designate a different Lending Office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

Section 3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason adequate and reasonable means do not exist for determining the Eurodollar Rate for any requested

Interest Period with respect to a proposed Eurodollar Rate Loan, or that the Eurodollar Rate for any requested Interest Period with respect to a proposed Eurodollar Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, or that Dollar deposits are not being offered to banks in the London interbank eurodollar market for the applicable amount and the Interest Period of such Eurodollar Rate Loan, the Administrative Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Eurodollar Rate Loans shall be suspended until the Administrative Agent (upon the instruction of the Required Lenders, which instruction shall be given promptly upon such condition's ceasing to exist) revokes such notice. Upon receipt of such notice, the Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of Eurodollar Rate Loans or, failing that, will be deemed to have converted such request into a request for a Borrowing of Base Rate Loans in the amount specified therein.

Section 3.04 Increased Cost and Reduced Return; Capital Adequacy; Reserves on Eurodollar Rate Loans. (a) If any Lender determines (in good faith) that as a result of the introduction of or any change in or in the interpretation of any Law, in each case after the date hereof, or such Lender's compliance therewith, there shall be any increase in the cost to such Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Loans, or a reduction in the amount received or receivable by such Lender in connection with any of the foregoing (excluding for purposes of this Section 3.04(a) any such increased costs or reduction in amount resulting from (i) Taxes or Other Taxes (as to which Section 3.01 shall govern), (ii) changes in the basis of taxation of overall net income or overall gross income (including branch profits), and franchise (and similar) taxes imposed in lieu of net income taxes, by the United States or any foreign jurisdiction or any political subdivision of either thereof under the Laws of which such Lender is organized or maintains a Lending Office and (iii) reserve requirements contemplated by Section 3.04(c)), then from time to time within ten (10) days after demand by such Lender setting forth in reasonable detail such increased costs (with a copy of such demand to the Administrative Agent given in accordance with Section 3.06), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender for such increased cost or reduction.

(b) If any Lender determines (in good faith) that the introduction of any Law regarding capital adequacy or any change therein or in the interpretation thereof, in each case after the date hereof, or compliance by such Lender or such Lender's holding company therewith, has the effect of reducing the rate of return on the capital of such Lender or such Lender's holding company (or its Lending Office) as a consequence of its obligations hereunder to a level below that which such Lender or such Lender's holding company could have achieved but for such introduction, change or compliance (taking into consideration its policies with respect to capital adequacy, by an amount deemed by such Lender to be material, then from time to time upon demand of such Lender setting forth in reasonable detail the charge and the calculation of such reduced rate of return (with a copy of such demand to the Administrative Agent given in accordance with Section 3.06), the Borrower shall pay to such Lender such additional amounts as will compensate such Lender or such Lender's holding company for such reduction within ten (10) days after receipt of such demand.

(c) The Borrower shall pay to each Lender, (i) as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits, additional interest on the unpaid principal amount of each Eurodollar Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive in the absence of manifest error), and (ii) as long as such Lender shall be required to comply with any reserve ratio requirement or analogous requirement of any other central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Eurodollar Rate Loans, such additional costs (expressed as a percentage per annum and rounded upwards, if necessary, to the nearest five decimal places) equal to the actual costs allocated to such Commitment or Loan by such Lender (as determined by such Lender in

good faith, which determination shall be conclusive absent manifest error) which in each case shall be due and payable on each date on which interest is payable on such Loan, provided the Borrower shall have received at least ten (10) days' prior notice (with a copy to the Administrative Agent, and which notice shall specify the Statutory Reserve Rate, if any, applicable to such Lender) of such additional interest or cost from such Lender. If a Lender fails to give notice ten (10) days prior to the relevant Interest Payment Date, such additional interest or cost shall be due and payable ten (10) days from receipt of such notice.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 3.04 shall not constitute a waiver of such Lender's right to demand such compensation, *provided* that the Borrower shall not be required to compensate a Lender pursuant to Section 3.04(a), (b) or (c) for any such increased cost or reduction incurred more than 180 days prior to the date that such Lender demands, or notifies the Borrower of its intention to demand, compensation therefor, *provided further* that, if the circumstance giving rise to such increased cost or reduction is retroactive, then such 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

(e) If any Lender requests compensation under this Section 3.04, then such Lender will, if requested by the Borrower, use commercially reasonable efforts to designate another Lending Office for any Loan affected by such event; *provided* that such efforts are made on terms that, in the reasonable judgment of such Lender, cause such Lender and its Lending Office(s) to suffer no material economic, legal or regulatory disadvantage, and *provided further* that nothing in this Section 3.04(e) shall affect or postpone any of the Obligations of the Borrower or the rights of such Lender pursuant to Section 3.04(a), (b), (c) or (d) or any rights of the Borrower pursuant to Section 3.07.

Section 3.05 Funding Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense (excluding loss of profit) incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan on a day other than the last day of the Interest Period for such Loan (in each case, whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); or

(b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Eurodollar Rate Loan on the date or in the amount notified by the Borrower;

including any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained.

Section 3.06 Matters Applicable to All Requests for Compensation. (a) Any Agent or any Lender claiming compensation under this Article III shall deliver a certificate to the Borrower setting forth the additional amount or amounts to be paid to it hereunder which shall be conclusive in the absence of manifest error.

(b) With respect to any Lender's claim for compensation under Section 3.01, 3.02, 3.03 or 3.04, the Borrower shall not be required to compensate such Lender for any amount incurred more than 180 days prior to the date that such Lender notifies the Borrower of the event that gives rise to such claim; *provided* that, if the circumstance giving rise to such claim is retroactive, then such 180-day period referred to above shall be extended to include the period of retroactive effect thereof. If any Lender requests compensation by the Borrower under Section 3.04, the Borrower may, by notice to such Lender (with a copy to the Administrative Agent), suspend the obligation of such Lender to make or continue from one Interest Period to another Eurodollar Rate Loans, or to convert Base Rate Loans into Eurodollar

Rate Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 3.06(c) shall be applicable); *provided* that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(c) If the obligation of any Lender to make or continue from one Interest Period to another any Eurodollar Rate Loan, or to convert Base Rate Loans into Eurodollar Rate Loans shall be suspended pursuant to Section 3.06(b) hereof, such Lender's Eurodollar Rate Loans shall be automatically converted into Base Rate Loans on the last day(s) of the then current Interest Period(s) for such Eurodollar Rate Loans (or, in the case of an immediate conversion required by Section 3.02, on such earlier date as required by Law) and, unless and until such Lender gives notice as provided below that the circumstances specified in Section 3.01, 3.02, 3.03 or 3.04 hereof that gave rise to such conversion no longer exist:

(i) to the extent that such Lender's Eurodollar Rate Loans have been so converted, all payments and prepayments of principal that would otherwise be applied to such Lender's Eurodollar Rate Loans shall be applied instead to its Base Rate Loans; and

(ii) all Loans that would otherwise be made or continued from one Interest Period to another by such Lender as Eurodollar Rate Loans shall be made or continued instead as Base Rate Loans, and all Base Rate Loans of such Lender that would otherwise be converted into Eurodollar Rate Loans shall remain as Base Rate Loans.

(d) If any Lender gives notice to the Borrower (with a copy to the Agent) that the circumstances specified in Section 3.01, 3.02, 3.03 or 3.04 hereof that gave rise to the conversion of such Lender's Eurodollar Rate Loans pursuant to this Section 3.06 no longer exist (which such Lender agrees to do promptly upon such circumstances ceasing to exist) at a time when Eurodollar Rate Loans made by other Lenders are outstanding, such Lender's Base Rate Loans shall be automatically converted, on the first day(s) of the next succeeding Interest Period(s) for such outstanding Eurodollar Rate Loans, to the extent necessary so that, after giving effect thereto, all Loans held by the Lenders holding Eurodollar Rate Loans and by such Lender are held pro rata (as to principal amounts, interest rate basis, and Interest Periods).

Section 3.07 Replacement of Lenders under Certain Circumstances. (a) If at any time (i) the Borrower becomes obligated to pay additional amounts or indemnity payments described in Section 3.01 or 3.04 as a result of any condition described in such Sections or any Lender ceases to make Eurodollar Rate Loans as a result of any condition described in Section 3.02 or Section 3.04, (ii) any Lender becomes a Defaulting Lender or (iii) any Lender becomes a Non-Consenting Lender, then the Borrower may, upon prior written notice to the Administrative Agent and such Lender, replace such Lender by causing such Lender to (and such Lender shall be obligated to) assign pursuant to Section 12.07(b) (with the assignment fee to be paid by the Borrower in such instance), at par, all of its rights and obligations under this Agreement to one or more Eligible Assignees; *provided* that neither the Administrative Agent nor any Lender shall have any obligation to the Borrower to find a replacement Lender or other such Person.

(b) Any Lender being replaced pursuant to Section 3.07(a) above shall (i) execute and deliver an Assignment and Assumption with respect to such Lender's Commitment and outstanding Loans, and (ii) deliver any Notes evidencing such Loans to the Borrower or Administrative Agent. Pursuant to such Assignment and Assumption, (A) the assignee Lender shall acquire all or a portion, as the case may be, of the assigning Lender's Commitment and outstanding Loans, (B) all obligations of the Borrower owing to the assigning Lender relating to the Loans so assigned shall be paid in full by the assignee Lender to such assigning Lender concurrently with such assignment and assumption and (C) upon such payment and, if so requested by the assignee Lender, delivery to the assignee Lender of the appropriate Note or Notes executed by the Borrower, the assignee Lender shall become a Lender hereunder and the assigning

Lender shall cease to constitute a Lender hereunder with respect to such assigned Loans, Commitments, except with respect to indemnification provisions under this Agreement, which shall survive as to such assigning Lender.

(c) In the event that (i) the Borrower or the Administrative Agent has requested that the Lenders consent to a departure or waiver of any provisions of the Loan Documents or agree to any amendment thereto, (ii) the consent, waiver or amendment in question requires the agreement of all affected Lenders in accordance with the terms of Section 12.01 and (iii) the Required Lenders have agreed to such consent, waiver or amendment, then any Lender who does not agree to such consent, waiver or amendment shall be deemed a “**Non-Consenting Lender.**”

Section 3.08 Survival. All of the Borrower’s obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

ARTICLE IV

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

Section 4.01 Conditions to Initial Credit Extension. The obligation of each Lender to make the Initial Loans requested to be made by it is subject to satisfaction or waiver of the following conditions prior to or concurrently with the making of such extension of credit:

(a) The Administrative Agent’s receipt of the following, each of which shall be originals or facsimiles (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each in form and substance reasonably satisfactory to the Administrative Agent:

- (i) executed counterparts of this Agreement;
- (ii) a Note executed by the Borrower in favor of each Lender that has requested a Note at least two Business Days in advance of the Closing Date;
- (iii) the Security Agreement, duly executed by each Loan Party thereto, together with:
 - (A) certificates, if any, representing the Pledged Equity referred to therein, to the extent required therein, accompanied by undated stock powers executed in blank and instruments evidencing the Pledged Debt indorsed in blank; and
 - (B) evidence that all other actions, recordings and filings that the Administrative Agent may deem reasonably necessary to satisfy the Collateral and Guarantee Requirement shall have been taken, completed or otherwise provided for in a manner reasonably satisfactory to the Administrative Agent;
- (iv) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may reasonably require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to be a party on the Closing Date and with appropriate insertions and attachments, including the certificate of incorporation of each Loan Party that is a corporation certified by the relevant authority of the jurisdiction of organization of such Loan Party and a long form good standing certificate for each Loan Party from its jurisdiction of organization;

(v) opinion from Kirkland & Ellis LLP, special New York counsel to Holdings substantially in the form of Exhibit F;

(vi) except as set forth in Section 6.16, evidence that all insurance (including title insurance) required to be maintained pursuant to the Loan Documents has been obtained and is in effect (or soon thereafter shall become effective pursuant to arrangements reasonably satisfactory to the Administrative Agent) and that the Administrative Agent has been named (or soon thereafter shall be named pursuant to arrangements reasonably satisfactory to the Administrative Agent) as loss payee or additional insured, as appropriate, under each insurance policy with respect to such liability and property insurance as to which the Administrative Agent shall have reasonably requested to be so named;

(vii) a Committed Loan Notice relating to the initial Borrowing; and

(viii) a certificate signed by a Responsible Officer of the Borrower certifying compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.03.

(b) The Administrative Agent shall have received the results of recent lien searches conducted in the jurisdictions in which the Loan Parties are organized, and such search shall reveal no liens on any of the assets of the Loan Parties except for liens permitted by Section 7.01 or discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.

(c) All costs, fees and expenses required to be paid hereunder and invoiced before the Closing Date shall have been paid in full in cash or shall be designated for payment on the Closing Date from the proceeds of the Initial Loans, in each case, to the extent due.

(d) The Lenders shall have received (i) the Audited Financial Statements and Unaudited Financial Statements and (ii) the Budget, in form and substance reasonably satisfactory to the Administrative Agent, accompanied by a certificate of a Responsible Officer of the Borrower stating that such Budget is based on estimates, information and assumptions believed by management of the Borrower to be reasonable on the Closing Date and that such Responsible Officer (not in his or her individual capacity, but solely as a Responsible Officer) has no reason to believe that the projections set forth therein are incorrect or misleading in any material respect (it being understood and agreed that the projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Responsible Officer and that no assurance can be given that any of the projections will be realized, and that the Budget is not a guarantee of financial performance and actual results may differ from the Budget and such differences may be material).

(e) At the time of the making of the initial extension of credit, and in any event no later than four (4) Business Days after the Petition Date (or such later date agreed to by the Administrative Agent in its sole discretion (provided that the consent of the Required Lenders shall be required to extend such date by more than five (5) Business Days)), the Administrative Agent shall have received a copy of the Interim Order, which Interim Order shall (i) have been entered with the consent or non-objection of a majority in dollar amount (as determined by the Administrative Agent) of the Debtors' Prepetition Obligations, (ii) be in form and substance reasonably satisfactory to the Administrative Agent, its counsel and the Required Lenders, (iii) be in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect, in the case of any modification or amendment, in a manner, or relating to a matter, without the consent of the Required Lenders and (iv) authorize extensions of credit to the Borrower in amounts not in excess of \$100,000,000 (the "**Interim Availability Amount**").

(f) The Debtors shall be in compliance in all respects with the Interim Order pursuant to the terms therein. No trustee or examiner shall have been appointed with respect to the Loan Parties or their respective properties.

(g) All motions and orders submitted to the Bankruptcy Court on or about the Petition Date shall be in form and substance reasonably satisfactory to the Administrative Agent, and the Administrative Agent and the Required Lenders shall be reasonably satisfied with any Cash Collateral arrangements applicable to any material pre-Petition Date secured obligations of the Loan Parties.

(h) Prior to the Petition Date, the Prepetition Credit Agreement shall have been effectively amended pursuant to terms satisfactory to the Administrative Agent (it being understood and agreed that the amendments and waivers contained in that certain Waiver and Amendment, dated as of August 17, 2009, to the Prepetition Credit Agreement satisfy this condition).

(i) The Administrative Agent and the Lenders shall have received a 13-week cash flow projection of Holdings and its Subsidiaries, which shall be in form and substance reasonably satisfactory to the Administrative Agent (the “**Initial Cash Flow Forecast**”) (it being understood and agreed that the projections set forth in the Initial Cash Flow Forecast are subject to significant uncertainties and contingencies, many of which are beyond the control of the Responsible Officer and that no assurance can be given that the Initial Cash Flow Forecast will be realized, and that the Initial Cash Flow Forecast is not a guarantee of financial performance and actual results may differ from the Cash Flow Forecast and such differences may be material).

(j) The Administrative Agent shall have received at least three days prior to the Closing Date all documentation and other information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, requested by such Person.

(k) The Letters of Credit (as defined in the Prepetition Credit Agreement) outstanding under the Prepetition Credit Agreement on the Petition Date (the “**Prepetition Letters of Credit**”) shall have been cash collateralized (or shall be cash collateralized upon funding of the Initial Loans) at 105% of the face amounts thereof on terms reasonably acceptable to the Administrative Agent.

Section 4.02 Conditions to Final Credit Extension. The obligation of each Lender to make the Final Loans requested to be made by it is subject to satisfaction or waiver of the following conditions prior to or concurrently with the making of such extension of credit:

(a) (i) Except to the extent set forth in the Final Order, the Interim Order shall be in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect; (ii) the Administrative Agent shall have received a certified copy of the Final Order which, in any event, shall have been entered by the Bankruptcy Court no later than forty-five (45) days after the entry of the Interim Order (or such later date agreed to by the Required Lenders) and at the time of any such extension of credit the Final Order shall be in full force and effect, and shall not have been vacated, stayed, reversed, modified or amended in any respect without the prior written consent of the Administrative Agent and the Required Lenders; (iii) if either the Interim Order or the Final Order is the subject of a pending appeal in any respect, none of the making of such extensions of credit, the grant of Liens and Superpriority Claims pursuant to Section 2.12 or otherwise hereunder or the performance by the Borrower or any Guarantor of any of their respective obligations under any of the Loan Documents shall be the subject of a presently effective stay pending appeal; and (iv) the Loan Parties shall be in compliance with the Final Order in accordance with the terms therein.

(b) The Administrative Agent and the Lenders shall have received periodic Cash Flow Forecasts and variance reports as required pursuant to Sections 6.02(g) and (h), each in form reasonably satisfactory to the Administrative Agent.

(c) All fees and expenses required to be paid hereunder and invoiced before the Second Effective Date shall have been paid in full in cash.

(d) The Loan Parties shall have used, and shall have caused their respective Subsidiaries to use, commercially reasonable efforts to obtain ratings on the Facility by Moody's and S&P.

Section 4.03 Conditions to All Credit Extensions. The obligation of each Lender to honor any Committed Loan Notice (other than a Committed Loan Notice requesting only a conversion or a continuation of Loans) is subject to the following conditions precedent:

(a) The representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document shall be true and correct in all material respects on and as of the date of such Borrowing; *provided* that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided, further* that, any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on such respective dates.

(b) No Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such proposed Borrowing.

(c) The Administrative Agent shall have received a Committed Loan Notice in accordance with the requirements hereof.

Each Committed Loan Notice (other than a Committed Loan Notice requesting only a conversion or a continuation of Loans) submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 4.03(a) and (b) have been satisfied on and as of the date of the applicable Borrowing.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Each Loan Party hereby jointly and severally represents and warrants to the Agents and the Lenders that:

Section 5.01 Existence, Qualification and Power; Compliance with Laws. Each Loan Party and each of its Subsidiaries (a) is a Person duly organized or formed, validly existing and in good standing (to the extent such concept is applicable in the applicable jurisdiction) under the Laws of the jurisdiction of its incorporation or organization, (b) subject, in the case of any Debtor, to the entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, has all requisite power and authority to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, (c) is duly qualified and in good standing (to the extent such concept is applicable in the applicable jurisdiction) under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, (d) is in compliance with all Laws, orders, writs, injunctions and orders except, in the case of any Debtor, to the extent failure to comply therewith is permitted by Chapter 11 of the Bankruptcy Code and (e) subject, in the case of any Debtor, to the entry by the Bankruptcy Court of the Interim Order

and the Final Order, has all requisite governmental licenses, authorizations, consents and approvals to operate its business as currently conducted; except in each case referred to in clause (c), (d) or (e), to the extent that failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.02 Authorization; No Contravention. Subject, in the case of any Debtor, to the entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, the execution, delivery and performance by each Loan Party of each Loan Document to which such Person is a party, and the consummation of the transactions contemplated thereby, are within such Loan Party's corporate or other powers, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) violate the terms of any of such Person's Organization Documents, (b) violate or result in any breach of (except, in the case of any Debtor, in respect of Contractual Obligations entered into prior to the Petition Date), or the creation of any Lien under (other than Liens created by the Loan Documents or the Orders and other Liens permitted by Section 7.01), or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or which is binding upon such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law; except with respect to any violation or breach (but not creation of Liens or payments) referred to in clause (b) and (c) above, to the extent that such violation or breach could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority (except, in the case of the Debtors, as required under the Bankruptcy Code and applicable state and federal bankruptcy rules) is necessary or required in connection with (a) the execution, delivery or performance by any Loan Party of this Agreement or any other Loan Document, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents or (c) the perfection or maintenance of the Liens created under the Collateral Documents (including the priority thereof, other than filings with respect to Intellectual Property registrations or applications issued or pending) or (d) the exercise by the Administrative Agent or any Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Orders and the Collateral Documents, except for the approvals, consents, exemptions, authorizations, actions, notices and filings which have been duly obtained, taken, given or made and are in full force and effect.

Section 5.04 Binding Effect. Subject, in the case of any Debtor, to the entry by the Bankruptcy Court of the Interim Order and the Final Order and to the terms thereof, this Agreement and each other Loan Document has been duly executed and delivered by each Loan Party that is party thereto. Subject, in the case of any Debtor, to the entry by the Bankruptcy Court of the Final Order, this Agreement and each other Loan Document constitutes a legal, valid and binding obligation of each Loan Party that is party thereto, enforceable against such Loan Party in accordance with its terms.

Section 5.05 Financial Statements; No Material Adverse Effect. (a) The Audited Financial Statements and the Unaudited Financial Statements fairly present in all material respects the consolidated financial condition of the Borrower and its Subsidiaries as of the dates thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein and, in the case of the Unaudited Financial Statements, subject to normal year-end audit adjustments and the absence of footnotes.

(b) Since March 31, 2009, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect (excluding

any events disclosed in SEC filings on Form 8-K by the Borrower between March 31, 2009 and August 14, 2009).

(c) The forecasts of consolidated balance sheets, income statements and cash flow statements of the Borrower and its Subsidiaries which have been furnished to the Administrative Agent prior to the Closing Date have been prepared in good faith on the basis of assumptions believed to be reasonable at the time made, it being understood that forecasts are, by their nature, inherently uncertain and actual results may vary from such forecasts and that such variations may be material.

(d) The Loan Parties have disclosed any material assumptions with respect to the Budget and Cash Flow Forecast and affirm that the Budget and each Cash Flow Forecast was prepared in good faith upon assumptions believed to be reasonable at the time made (it being understood and agreed that the projections contained in such Budget and each Cash Flow Forecast are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and that no assurance can be given that the projections contained in the Budget and each Cash Flow Forecast will be realized, and that the Budget and each Cash Flow Forecast are not a guarantee of financial performance and actual results may differ from the Budget and each Cash Flow Forecast and such differences may be material).

Section 5.06 Litigation. Other than the Cases, there are no actions, suits, proceedings, claims, investigations or disputes pending or, to the knowledge of the Borrower, threatened in writing or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.07 No Default. Neither the Borrower nor any Subsidiary is in default under or with respect to any Contractual Obligation (in the case of any Debtor, entered into after the Petition Date) that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

Section 5.08 Ownership of Property; Liens. Each Loan Party and each of its Subsidiaries has good title to, or valid leasehold interests in, or easements or other limited property interests in, all its properties and assets material to the ordinary conduct of its business (including all Material Real Property), free and clear of all Liens except for minor defects in title that do not materially interfere with its ability to conduct its business or to utilize such assets for their intended purposes and Liens permitted by Section 7.01.

Section 5.09 Environmental Compliance. (a) There are no claims, actions, suits, or proceedings alleging potential liability or responsibility for violation of, or otherwise relating to, any Environmental Law or to Hazardous Materials that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (i) none of the properties currently or, to the knowledge of the Borrower, formerly owned, leased or operated by any Loan Party or any of its Subsidiaries is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or, to the knowledge of the Borrower, is adjacent to any such property; and (ii) Hazardous Materials have not been released, discharged or disposed of by any Person on any property currently or, to the knowledge of the Borrower, formerly owned, leased or operated by any Loan Party or any of its Subsidiaries and Hazardous Materials have not otherwise been released, discharged or disposed of by any of the Loan Parties and their Subsidiaries at any other location, in each case in a manner that could reasonably be expected to result in Environmental Liability.

(c) The properties owned, leased or operated by the Borrower and the Subsidiaries do not contain any Hazardous Materials in amounts or concentrations which (i) constitute a violation of, (ii) require remedial action under, or (iii) could give rise to liability under, Environmental Laws, which violations, remedial actions and liabilities, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect.

(d) Neither the Borrower nor any of its Subsidiaries is undertaking, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law, except for such investigation or assessment or remedial or response action that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(e) All Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, by any Loan Party or any of its Subsidiaries, any property currently or formerly owned or operated by any Loan Party or any of its Subsidiaries have been disposed of in a manner not reasonably expected to result, individually or in the aggregate, in a Material Adverse Effect.

(f) Except as would not reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect, none of the Loan Parties and their Subsidiaries has contractually assumed any liability or obligation under or relating to any Environmental Law.

Section 5.10 Taxes. The Borrower and its Subsidiaries have filed all U.S. Federal income and material state and other material tax returns and reports required to be filed, and have paid all U.S. Federal income and material state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which reserves have been provided to the extent required by GAAP.

Section 5.11 ERISA Compliance. (a) Except as could not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect each Plan is in compliance with the applicable provisions of ERISA, the Code and other Federal or state Laws.

(b) (i) Other than the commencement of the Cases, which is a Reportable Event, no ERISA Event has occurred during the five year period prior to the date on which this representation is made or deemed made with respect to any Pension Plan; (ii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would reasonably be expected to result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; (iv) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that could reasonably be expected to be subject to Sections 4069 or 4212(c) of ERISA; and (v) the present value of all benefit liabilities under each Pension Plan does not exceed the aggregate current value of the assets of such Pension Plan (based on those assumptions used to fund the Pension Plans); except, with respect to each of the foregoing clauses (i) through (v) of this Section 5.11(b), as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(c) Except as specifically disclosed in Schedule 5.11(c), (i) All employer and employee contributions required by applicable law or by the terms of any Foreign Benefit Arrangement or Foreign

Plan have been made, or, if applicable, accrued in accordance with normal accounting practices; (ii) the accrued benefit obligations of each Foreign Plan (based on those assumptions used to fund such Foreign Plan) with respect to all current and former participants do not exceed the assets of such Foreign Plan; (iii) each Foreign Plan that is required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities; and (iv) each such Foreign Benefit Arrangement and Foreign Plan is in compliance (A) with all material provisions of applicable law and all material applicable regulations and published interpretations thereunder with respect to such Foreign Benefit Arrangement or Foreign Plan and (B) with the terms of such plan or arrangement; except, with respect to each of the foregoing clauses of this Section 5.11(c), as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 5.12 Subsidiaries; Equity Interests. As of the Closing Date, neither Holdings nor any Loan Party has any Subsidiaries other than those specifically disclosed in Schedule 5.12, and all of the outstanding Equity Interests owned by the Loan Parties in such Subsidiaries have been validly issued, are fully paid and nonassessable and all Equity Interests owned by Holdings or a Loan Party are owned free and clear of all Liens except (i) those created under the Collateral Documents and (ii) any Lien that is permitted under Section 7.01. As of the Closing Date, Schedule 5.12 (a) sets forth the name and jurisdiction of each Subsidiary, (b) sets forth the ownership interest of Holdings, the Borrower and any other Subsidiary in each Subsidiary, including the percentage of such ownership and (c) identifies each Subsidiary that is a Subsidiary the Equity Interests of which are required to be pledged on the Closing Date pursuant to the Collateral and Guarantee Requirement.

Section 5.13 Margin Regulations; Investment Company Act. (a) The Borrower is not engaged nor will it engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board), or extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Borrowings will be used for any purpose that violates Regulation U.

(b) None of the Borrower, any Person Controlling the Borrower, or any Subsidiary is required to be registered as an “investment company” under the Investment Company Act of 1940.

Section 5.14 Disclosure. No report, financial statement, certificate or other written information furnished by or on behalf of any Loan Party to any Agent, any Lender or the Bankruptcy Court in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or any other Loan Document (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; *provided* that, with respect to projected financial information and pro forma financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time made; it being understood that projections are, by their nature, inherently uncertain and such projections may vary from actual results and that such variances may be material.

Section 5.15 Intellectual Property; Licenses, Etc. Each of the Loan Parties and their Subsidiaries owns, or licenses or possesses the valid right to use, all Intellectual Property that is material to the operation of the business of the Borrower and its Subsidiaries, taken as a whole, as currently conducted, and, without known conflict with the rights of any Person, except to the extent such conflicts, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The conduct of the business of the Borrower and its Subsidiaries, taken as a whole, as currently conducted, does not infringe upon, misappropriate or otherwise violate any Intellectual Property of any Person and, to the knowledge of the Borrower, no Person infringes upon, misappropriates or otherwise

violates any Intellectual Property of the Borrower and its Subsidiaries, except in each case as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No written or, to the knowledge of the Borrower, oral claim or litigation regarding any Intellectual Property of any Loan Party or its Subsidiaries is pending or, to the knowledge of the Loan Parties, threatened against any Loan Party or Subsidiary, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 5.16 Labor Matters. Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Loan Party pending or, to the knowledge of the Borrower, threatened; (b) hours worked by and payment made to employees of each Loan Party have not been in violation of the Fair Labor Standards Act or any other applicable Laws dealing with such matters; and (c) all payments due from any Loan Party on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant party.

Section 5.17 Collateral. (a) Subject to the Carve Out, the Interim Order is (and the Final Order when entered will be) effective to create in favor of the Lenders legal, valid, enforceable and fully perfected security interests in and Liens on the Collateral described therein.

(b) Without limiting the foregoing, the Loan Documents are effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein and upon the filing of any UCC financing statements and the taking of any other actions or making of filings required for perfection under the laws of the relevant jurisdictions and specified in such Loan Documents, as necessary, and, if applicable, the taking of actions or making of filings with respect to Intellectual Property registrations or applications issued or pending, and, in the case of any real property, filing of the Mortgages as necessary, such Liens constitute perfected and continuing liens on such Collateral, securing the applicable obligations described in such Loan Documents, enforceable against the applicable Loan Party and all third parties, and having priority over all other Liens on such Collateral, except in the case of Liens permitted pursuant to Section 7.01 hereunder (other than any Liens granted pursuant to the Prepetition Loan Documents), to the extent such Liens would have priority over the Liens in favor of the Administrative Agent pursuant to any applicable law and to the extent perfection may be achieved by the foregoing filings; provided, however, that additional filings may be required to perfect the security interest for the benefit of the Lenders in Intellectual Property acquired after the date hereof. As of the Closing Date, the jurisdictions in which the filing of UCC financing statements (or their equivalent) are necessary are listed on Schedule 5.17.

Section 5.18 The Orders. Upon the maturity (whether by acceleration or otherwise) of any of the Obligations, the Lenders shall, subject to the provisions of Article VIII and the applicable provisions of the Orders, be entitled to immediate payment of such Obligations, and to enforce the remedies provided for hereunder, without further application to or order by the Bankruptcy Court. The Interim Order (or the Final Order, as applicable) is in full force and effect.

Section 5.19 Material Contracts. The Loan Parties are in material compliance with each material contract entered into by any Loan Party after the Petition Date or entered into prior to the Petition Date and, in the case of the Debtors only, assumed. As of the Closing Date, the Debtors have assumed the contracts entered into prior to the Petition Date and listed on Schedule 5.19.

ARTICLE VI

AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, or any Loan or other Obligation hereunder which is accrued and payable shall remain unpaid or unsatisfied, each Loan Party shall, and shall cause each of its Subsidiaries to:

Section 6.01 Financial Statements. Deliver to the Administrative Agent for prompt further distribution to each Lender:

(a) as soon as available, but in any event within ninety (90) days after the end of each fiscal year of the Borrower (as such date may be extended by up to an additional thirty (30) days by the Administrative Agent in its reasonable discretion) beginning with the fiscal year ending June 30, 2009, a consolidated and consolidating (by region) balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such fiscal year, and the related consolidated and consolidating (by region) statements of income or operations, stockholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all prepared in accordance with GAAP, audited (in the case of the consolidated financial statements) and accompanied by a report and opinion of an independent registered public accounting firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any material qualification or exception (other than a "going concern" or like qualification or exception);

(b) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Borrower (as such date may be extended by up to an additional fifteen (15) days by the Administrative Agent in its reasonable discretion), an unaudited consolidated and consolidating (by region) balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such fiscal quarter, and the related unaudited (i) consolidated and consolidating (by region) statements of income or operations for such fiscal quarter and for the portion of the fiscal year then ended and (ii) consolidated and consolidating (by region) statements of cash flows for such fiscal quarter and for the portion of the fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year for the applicable entities and the corresponding portion of the previous fiscal year for the applicable entities, all certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the consolidated financial condition, results of operations, stockholders' equity and cash flows of the Borrower and its consolidated Subsidiaries in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; and

(c) as soon as available, and in any event no later than thirty (30) days after the end of each fiscal month (or forty-five (45) days after the end of the third, sixth, ninth and twelfth fiscal month in each fiscal year and of July, August and September, 2009), commencing with the fiscal month ended in July, 2009, an unaudited consolidated and consolidating (by region) balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such fiscal month, and the related unaudited (i) consolidated and consolidating (by region) statements of income or operations for such fiscal month and for the portion of the fiscal year then ended and (ii) consolidated and consolidating (by region) statements of cash flows for such fiscal month and the portion of the fiscal year then ended, setting forth in each case in comparative form the figures from the statements of income set forth in the Budget for such month and the figures for the previous year, all certified by a Responsible Officer of the Borrower as being fairly presented in all material respects in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

Section 6.02 Certificates; Other Information. Deliver to the Administrative Agent for prompt further distribution to each Lender:

(a) simultaneously with the delivery of the financial statements referred to in Section 6.01(a), a certificate of its independent registered public accounting firm certifying such financial statements and stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default under Section 7.10 or, if any such Default or Event of Default shall exist, stating the nature and status of such event (which certificate may be limited to the extent required by such firm's general accounting and auditing rules, policies or guidelines);

(b) simultaneously with the delivery of the financial statements referred to in Section 6.01, a duly completed Compliance Certificate signed by a Responsible Officer of the Borrower;

(c) (i) simultaneously with the delivery of the financial statements referred to in Section 6.01(a) and (b), a narrative discussion and analysis of the financial condition and results of operations of the Borrower and its Subsidiaries (including, without limitation, with respect to Dispositions, cost savings, facility closures, litigation, contingent liabilities and other matters as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request) for the applicable period, and for the period from the beginning of the then current fiscal year to the end of such period, in each case, as compared to the portion of the Budget covering such periods and (ii) simultaneously with the delivery of the financial statements referred to in Section 6.01(c), updates to the most recently delivered narrative discussion and analysis described in clause (i) above with respect to Asset Sales, cost savings, facility closures, litigation contingent liabilities and restructuring costs (in the form and substance as prepared for use by the Borrower's chief financial officer);

(d) promptly after the same are publicly available, copies of all annual, quarterly and current reports and registration statements which the Borrower or any Subsidiary files with the SEC or with any Governmental Authority that may be substituted therefor (other than amendments to any registration statement (to the extent such registration statement, in the form it became effective, is delivered), exhibits to any registration statement and, if applicable, any registration statement on Form S-8) and in any case not otherwise required to be delivered to the Administrative Agent pursuant hereto, it being understood, for the avoidance of doubt, that no reports or registration statements are required under the terms hereof to be filed with the SEC unless otherwise required by Law;

(e) promptly after the furnishing thereof, copies of any material requests or material notices received by any Loan Party (other than in the ordinary course of business) or material statements or material reports furnished to any holder of debt securities of any Loan Party or of any of its Subsidiaries in a principal amount greater than the Threshold Amount or to any holder of public or preferred equity securities of any Loan Party and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 6.02;

(f) together with the delivery of each Compliance Certificate pursuant to Section 6.02(b), to the extent not previously disclosed to the Administrative Agent, (i) a description of any change in the name or the jurisdiction of organization of any Loan party, (ii) a certificate of a Responsible Officer of the Borrower setting forth any updates to Schedule 6 of the Security Agreement or confirming there has been no change in the information required to be reflected in such Schedule since the date of the Security Agreement or the date of the most recent certificate delivered pursuant to this clause (ii); *provided*, that the delivery of such certificate is only required at the time of the delivery of each Compliance Certificate required to be delivered in connection with Section 6.01(a) or (b) and (iii) a description of any Person that has become a Group Member, in each case, since the date of the most recent list delivered pursuant to this Section 6.02(f) (or, in the case of the first such list so delivered, since the Closing Date);

(g) no later than Friday of every other calendar week, commencing September 4, 2009, a rolling 13-week cash flow projection of the Borrower and its Subsidiaries substantially in the form of the Initial Cash Flow Forecast (each, a “**Cash Flow Forecast**”), which shall be certified by a Responsible Officer of the Borrower as being prepared based upon good faith estimates and assumptions that are believed by such Responsible Officer to be reasonable at the time made and that such Responsible Officer is not aware of (x) any information contained in such cash flow forecast which is false or misleading in any material respect or (y) any omission of information which causes such cash flow forecast to be false or misleading in any material respect (it being understood and agreed that any forecasts contained in each Cash Flow Forecast is subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties and that no assurance can be given that such forecasts will be realized, and that the Cash Flow Forecast is not a guarantee of financial performance and actual results may differ from the Cash Flow Forecast and such differences may be material); *provided*, that such certification shall only be required with respect to every other Cash Flow Forecast so delivered;

(h) no later than Friday of every other calendar week, commencing September 4, 2009, a variance report in form reasonably satisfactory to the Administrative Agent, showing on a line item basis the percentage and dollar variance of actual cash disbursements and cash receipts for each of the prior two weeks from the amounts set forth for each such period in the most recent Cash Flow Forecast and a narrative analysis of each material variance for the prior two week period;

(i) no later than Friday of every other calendar week, commencing on September 4, 2009, a certificate of a Responsible Officer of the Borrower containing all information and calculations necessary for determining compliance with Section 7.10(c) as of the close of business on Friday of the previous calendar week;

(j) (i) no later than September 30, 2009, a non-core asset sale plan in form reasonably satisfactory to the Administrative Agent and (ii) together with the delivery of each Compliance Certificate pursuant to Section 6.02(b), beginning with the first Compliance Certificate delivered after the delivery of such non-core asset sale plan, a progress report with respect thereto in form reasonably satisfactory to the Administrative Agent;

(k) contemporaneously upon such filing or distribution, copies of all orders, pleadings and motions, applications, judicial information, financial information, plan of reorganization or liquidation and/or any disclosure statement related to such plan and other documents to be filed by or on behalf of the Borrower or any of its Subsidiaries with the Bankruptcy Court or the United States Trustee in the Cases, or to be distributed by or on behalf of the Borrower or any of its Subsidiaries to any Committee (other than (i) pleadings, motions applications or other filings which would reasonably expected to be immaterial to the Administrative Agent and the Lenders, (ii) emergency pleadings, motions or other filings where, despite such Debtor’s best efforts, such contemporaneous delivery is impracticable, which shall be delivered as soon as practicable after the filing or distribution thereof and (iii) copies of pleadings and motions in connection with the Facility or the Cash Collateral, which shall be delivered as soon as practicable in advance of the filing or distribution thereof); *provided, however*, notwithstanding any of the foregoing to the contrary, the Loan Parties’ obligations in this clause (k) will be deemed satisfied if and to the extent any of such information and documents is publicly available; and

(l) promptly, subject to applicable confidentiality requirements of Group Members, such additional financial or other information as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(e) or (f) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i)

on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed in Section 12.02; (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); or (iii) such documents are publicly available on the SEC's website pursuant to the SEC's EDGAR system; provided that: (i) upon written request by the Administrative Agent, the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(b) to the Administrative Agent. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

Section 6.03 Update Calls. As and when requested by the Administrative Agent (but no more frequently than once per month) at such times as the Borrower and the Administrative Agent shall agree, the Borrower shall host a conference call (with a question and answer period) with the chief financial officer of the Borrower and such other members of senior management of the Borrower as the Borrower deems appropriate and the Administrative Agent and the Lenders and their respective representatives and advisors to discuss the performance of the business, strategic alternatives and other issues as the Administrative Agent may reasonably request.

Section 6.04 Notices. Promptly (but in any event within five Business Days) after any Responsible Officer of a Loan Party obtains knowledge thereof, notify the Administrative Agent (for prompt notification to each Lender):

- (a) of the occurrence of any Default or Event of Default; and
- (b) of any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a written statement of a Responsible Officer of the Borrower (x) that such notice is being delivered pursuant to Section 6.04(a) or (b) (as applicable) and (y) setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto.

Section 6.05 Payment of Obligations. (a) In the case of any Debtor, except in accordance with the Bankruptcy Code or by an applicable order of the Bankruptcy Court, pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, (i) all its post-petition material taxes and other material obligations of whatever nature that constitute administrative expenses under Section 503(b) of the Bankruptcy Code in the Cases, except, so long as no material property (other than money for such obligation and the interest or penalty accruing thereon (or property with a value not in excess of such amounts)) of any Loan Party is in danger of being lost or forfeited as a result thereof, no such obligation need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings and any required reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Debtor and (ii) all material obligations arising from Contractual Obligations entered into after the Petition Date or from Contractual Obligations entered into

prior to the Petition Date and assumed and which are permitted to be paid post-petition by order of the Bankruptcy Court that has been entered with the consent of (or non-objection by) the Required Lenders.

(b) In the case of any Non-Debtor, pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and any required reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

Section 6.06 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence under the Laws of the jurisdiction of its organization except (i) in the case of any Subsidiary of the Borrower, where the failure to perform such obligations, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, or (ii) in a transaction permitted by Section 7.04 or 7.05, and (b) take all reasonable action to maintain all privileges (including its good standing), material rights, material permits, material licenses and material franchises necessary or desirable in the normal conduct of its business, except (i) to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect or (ii) pursuant to a transaction permitted by Section 7.04 or 7.05.

Section 6.07 Maintenance of Properties. Except if the failure to do so could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (a) maintain, preserve and protect all of its properties and equipment material to the operation of its business in good working order, repair and condition, ordinary wear and tear excepted and casualty or condemnation excepted, and (b) make all necessary renewals, replacements, modifications, improvements, upgrades, extensions and additions thereof or thereto in accordance with prudent industry practice.

Section 6.08 Maintenance of Insurance. Maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Borrower and its Subsidiaries) and with deductible levels as are customarily carried under similar circumstances by such other Persons and ensure that the Administrative Agent is an additional insured and/or loss payee under such liability and property insurance as reasonably requested by the Administrative Agent.

Section 6.09 Compliance with Laws. Subject to the effect of the Cases, comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except if the failure to comply therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 6.10 Inspection Rights; Books and Records; Discussions. (a) Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities and (b) permit representatives of the Administrative Agent or any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books of record at any reasonable time upon reasonable notice and to discuss the business, operations, properties and financial and other condition of the Loan Parties with officers and senior managerial employees of the Loan Parties and with their independent certified public accountants; *provided*, that an officer of the Borrower shall be provided reasonable opportunity to participate in any such discussion with the accountants; *provided, further*, that such inspections and discussions shall be coordinated through the Administrative Agent. The Administrative Agent and each Lender agrees to use reasonable efforts to

coordinate and manage the exercise its rights under this Section 6.10 so as to minimize the disruption to the business of the Borrower and its Subsidiaries resulting therefrom.

Section 6.11 Additional Collateral; Further Assurances. At the Borrower's expense, subject, in the case of any Debtor, to the Final Order, take all action reasonably requested by the Administrative Agent to ensure that the Collateral and Guarantee Requirement continues to be satisfied, including:

(a) causing each Domestic Subsidiary formed or acquired after the Closing Date in accordance with the terms of this Agreement to become a Guarantor by executing a joinder agreement in a form specified by the Administrative Agent on or before the thirtieth (30th) day following the date of such acquisition or formation, it being understood and agreed that upon execution and delivery thereof, each such Person (i) shall automatically become a Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (ii) will grant Liens to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, in any property of such Loan Party which constitutes Collateral;

(b) without limiting the foregoing, executing and delivering, or causing to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and taking or causing to be taken such further actions (including the filing and recording of financing statements, Mortgages and other documents and such other actions or deliveries of the type required by Article IV or the Collateral and Guarantee Requirement), which may be required by Law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Collateral Documents or the Orders, all at the expense of the Loan Parties;

(c) executing and delivering, or causing to be executed and delivered, to the Administrative Agent such documents, agreements and instruments, and taking or causing to be taken such further actions, which may be required by Law or which the Administrative Agent may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents, all at the expense of the Loan Parties; and

(d) upon any filing by Direct Holdings IP L.L.C. of a voluntary petition initiating proceedings under Chapter 11 of the Bankruptcy Code, promptly and diligently seek to obtain approval by the Bankruptcy Court of (i) the joint administration of such case with the Cases and (ii) the addition of Direct Holdings IP L.L.C. as a Guarantor hereunder (for the avoidance of doubt, with the assets of Direct Holdings IP L.L.C. pledged as Collateral to the same extent as each other Guarantor hereunder).

Section 6.12 Compliance with Environmental Laws. Except, in each case, to the extent that the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (a) comply, and take all reasonable actions to cause all lessees and other Persons operating or occupying its properties to comply, with all applicable Environmental Laws and Environmental Permits; (b) obtain and renew all Environmental Permits necessary for its operations and properties; and (c) in each case to the extent required by Environmental Laws, conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to remove and clean up all Hazardous Materials from any of its properties, in accordance with the requirements of all Environmental Laws.

Section 6.13 Use of Proceeds. Use the proceeds of the Loans only for working capital and other general corporate purposes (including, without limitation, "Chapter 11 expenses" (or "administrative Costs reflecting Chapter 11 expenses")) and the cash collateralization of letters of credit permitted by Section 7.01(u)) and the payment of fees and expenses incurred in connection with entering

into this Agreement and the transactions contemplated hereby; *provided*, that the proceeds of Loans may not be used in connection with the investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Lenders, the Administrative Agent or any parties to the Prepetition Loan Documents.

Section 6.14 Deposit Accounts. Except as set forth in Section 6.16, maintain at all times all of the cash and Cash Equivalents of the Loan Parties (other than cash and Cash Equivalents not exceeding \$5,000,000 in the aggregate) at an account or accounts (a) with the Administrative Agent or any other financial institution that has entered into a control agreement with respect to such account(s) in form and substance reasonably satisfactory to the Administrative Agent or (b) at an account the entire balance of which is swept at least once every three (3) Business Days to an account described in clause (a) above.

Section 6.15 Ratings. Use commercially reasonable efforts to obtain, on or prior to the Final Order Entry Date, ratings on the Facility from S&P and Moody's.

Section 6.16 Post-Closing Covenants. (a) Deliver account control agreements required by Section 6.14 as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by an additional 30 days by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof;

(b) deliver the evidence of insurance and related certificates and endorsements required by Section 4.01(a)(vi) as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by an additional 30 days by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof; and

(c) deliver the Intellectual Property filings required by clause (d) of the definition of Collateral and Guarantee Requirement as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by an additional 30 days by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof.

ARTICLE VII

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder which is accrued and payable shall remain unpaid or unsatisfied, each Loan Party shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

Section 7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens created pursuant to any Loan Document and/or the Orders;

(b) Liens existing on the Petition Date and listed on Schedule 7.01(b) and any modifications, replacements, renewals or extensions thereof; *provided* that (x) except as otherwise specified on Schedule 7.01(b)(x), the amount of Indebtedness secured thereby is not increased (except as a result of changes in the Exchange Rate) and (y) such Liens do not at any time extend to or cover any assets other than the assets subject to such Liens on the Petition Date except as otherwise specified on Schedule 7.01(b)(x);

(c) Liens for taxes, assessments or governmental charges which are not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if reserves with respect thereto are maintained on the books of the applicable Person to the extent required by and in accordance with GAAP;

(d) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, workmen, suppliers, construction contractors or other like Liens arising in the ordinary course of business which secure amounts not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings diligently conducted, if reserves with respect thereto are maintained on the books of the applicable Person to the extent required by and in accordance with GAAP;

(e) (i) Liens, pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation and (ii) Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings, the Borrower or any Subsidiary;

(f) Liens or deposits (including deposits made to satisfy statutory or other legal obligations in connection with sweepstakes or similar contests and Liens in favor of postal authorities) to secure the performance of bids, trade contracts, governmental contracts, tenders, statutory bonds and leases (other than Indebtedness for borrowed money and Capitalized Lease Obligations), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions (including zoning restrictions), covenants, licenses, encroachments, protrusions and other similar encumbrances and minor title defects affecting real property which, in the aggregate, do not in any case materially interfere with the ordinary conduct of the business of the Borrower or any Subsidiary or materially detract from the value of the property subject thereto;

(h) Liens securing judgments, decrees, attachments or awards for the payment of money not constituting an Event of Default under Section 8.01(h);

(i) Liens securing Indebtedness permitted under Section 7.03(e) or 7.03(p); *provided* that (i) such Liens attach concurrently with or within thirty (30) days after the acquisition, repair, replacement, construction or improvement (as applicable) of the property subject to such Liens, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (iii) with respect to Capitalized Lease Obligations, such Liens do not at any time extend to or cover any assets other than the assets subject to such Capitalized Lease Obligations and (iv) the amount of Indebtedness secured thereby is not increased (except as a result of changes in the Exchange Rate);

(j) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which do not (i) interfere in any material respect with the business of the Borrower or any Subsidiary or (ii) secure any Indebtedness;

(k) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(l) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of

law encumbering deposits (including the right of set-off) arising in the ordinary course of business in connection with the maintenance of such accounts;

(m) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 7.02(g) or (l) to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to Dispose of any property in a Disposition permitted under Section 7.05, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(n) any interest or title of a lessor under leases entered into by the Borrower or any of its Subsidiaries in the ordinary course of business and covering only the assets so leased;

(o) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods entered into by the Borrower or any of its Subsidiaries in the ordinary course of business permitted by this Agreement;

(p) Liens deemed to exist in connection with Investments in repurchase agreements under Section 7.02;

(q) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, consistent with past practice and not for speculative purposes;

(r) Liens that are contractual rights of set-off or, in the case of clause (i) or (ii) below, other bankers' Liens (i) relating to treasury, depository and cash management services or any automated clearing house transfers of funds in the ordinary course of business and not given in connection with the issuance of Indebtedness, (ii) relating to pooled deposit or sweep accounts of Holdings, the Borrower or any Subsidiary to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Holdings, the Borrower and the Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any Subsidiary in the ordinary course of business;

(s) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement permitted hereunder;

(t) Liens on equipment (including printing presses and data-processing equipment) owned by the Borrower or any Subsidiary and located on the premises of any supplier, in the ordinary course of business;

(u) Liens on cash collateral securing (i) the Prepetition Letters of Credit or any letters of credit replacing such Prepetition Letters of Credit in an aggregate amount not to exceed the face amount of the Prepetition Letters of Credit (less the amount of cash collateral applied to the reimbursement of any such letters of credit (net of any such amounts returned by the beneficiary thereof in respect thereof)) and (ii) other letters of credit in an aggregate amount at any one time outstanding not to exceed \$5,500,000 (less the amount of cash collateral applied to the reimbursement of any such letters of credit (net of any such amounts returned by the beneficiary thereof in respect thereof)); and

(v) Liens not otherwise permitted by this Section so long as (i) neither (A) the aggregate outstanding principal amount of the obligations secured thereby nor (B) the aggregate fair market value (determined as of the date such Lien is incurred) of the assets subject thereto exceeds, at any one time outstanding, (x) with respect to the Debtors, \$1,000,000 in the aggregate, and (y) with respect to the Non-

Debtors, \$4,000,000 in the aggregate, and (ii) such Lien does not encumber the Equity Interests of the Borrower or any of its Subsidiaries.

Section 7.02 Investments. Make or hold any Investments, except:

- (a) Investments in cash and Cash Equivalents;
- (b) loans or advances to officers, directors and employees of Holdings, the Borrower and the Subsidiaries in the ordinary course of business for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes in an aggregate principal amount outstanding for all Group Members not to exceed \$1,000,000 at any one time outstanding;
- (c) Investments (i) by any Group Member in any Debtor, (ii) by any Subsidiary that is not a Loan Party in any other Subsidiary and (iii) by the Borrower in (A) Uitgeversmaatschappij The Reader's Digest B.V. in an aggregate amount not to exceed \$40,000,000 at any one time outstanding, (B) The Reader's Digest Association (Canada) ULC in an aggregate amount not to exceed \$12,000,000 at any one time outstanding and (C) The Reader's Digest Association (Australia) Pty. Limited in an aggregate amount not to exceed \$5,000,000 at any one time outstanding; *provided* that (x) any such Investment made pursuant to this clause (iii) shall be evidenced by an intercompany note substantially in the form of Exhibit I (an "**Intercompany Note**"), which Intercompany Note shall promptly be delivered to the Administrative Agent to hold as Collateral for the benefit of the Secured Parties and (y) the aggregate amount of all Investments made pursuant to this clause (iv) shall not exceed \$50,000,000 at any one time outstanding;
- (d) Investments in the Foreign Subsidiaries set forth on Schedule 7.02(d) up to the amounts and for the purposes set forth on Schedule 7.02(d) in an aggregate amount equal to the sum of (i) \$50,000,000 less (ii) the aggregate amount of Investments made and then outstanding pursuant to Section 7.02(c)(iv) plus (iii) the aggregate amount of cash received by the Borrower in repayment of the Intercompany Notes;
- (e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business;
- (f) Investments (i) resulting from the creation of a Lien permitted under Section 7.01, (ii) resulting from the incurrence of Indebtedness permitted under Section 7.03, (iii) made to effect Dispositions permitted under Section 7.04 or Section 7.05 (other than Section 7.05(d)) or (iv) made to effect Restricted Payments permitted under Section 7.06;
- (g) (i) Investments existing on the Petition Date and set forth on Schedule 7.02(g) and any modification, replacement, renewal, reinvestment or extension thereof that does not increase the aggregate amount thereof (except as a result of changes in the Exchange Rate);
- (h) Investments in Swap Contracts permitted under Section 7.03;
- (i) promissory notes and other non-cash consideration received in connection with Dispositions permitted by Section 7.05 to the extent not required to be made for cash consideration;

(j) Investments in the ordinary course of business consisting of Article 3 endorsements for collection or deposit and Article 4 customary trade arrangements with customers consistent with past practices;

(k) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers arising in the ordinary course of business or upon the foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment;

(l) in addition to Investments otherwise expressly permitted by this Section, Investments by the Borrower or any of its Subsidiaries in an aggregate amount not to exceed \$2,500,000; *provided*, that the aggregate amount of Investments made by all Debtors in reliance on this Section 7.02(l) shall not exceed \$1,000,000;

(m) advances of payroll payments to employees and advances to authors in the ordinary course of business;

(n) Guarantees by Holdings, the Borrower or any Subsidiary of leases (other than Capitalized Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business; and

(o) lease, utility and other similar deposits in the ordinary course of business.

Section 7.03 Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party under the Loan Documents;

(b) (i) Indebtedness outstanding on the Petition Date and listed on Schedule 7.03(b) and (ii) except with respect to any such Indebtedness of the Debtors, any Permitted Refinancing thereof (to the extent (A) such Permitted Refinancing is incurred by the Person who is the obligor of the Indebtedness subject to such Permitted Refinancing or (B) such incurrence is otherwise permitted under this Section 7.03);

(c) Guarantees made in the ordinary course of business by (i) any Group Member in respect of Indebtedness of any Debtor, (ii) any Non-Debtor in respect of Indebtedness of any Loan Party that is not a Debtor or in any Person that will, substantially contemporaneously with the making of the relevant Investment, become a Loan Party that is not a Debtor and (iii) any Subsidiary that is not a Loan Party in respect of Indebtedness of any other Subsidiary, in each case to the extent the Indebtedness being Guaranteed is otherwise permitted hereunder; *provided* that (A) no Guarantee by any Group Member of any Junior Financing shall be permitted unless such Group Member shall have also become a Guarantor hereunder and (B) if the Indebtedness being Guaranteed is subordinated to the Obligations, such Guarantee shall be subordinated to the Obligations (or the Guarantee thereof, as applicable) on terms at least as favorable to the Lenders as those contained in the subordination of such Indebtedness;

(d) Indebtedness of the Borrower or any Subsidiary owing to the Borrower or any other Subsidiary to the extent constituting an Investment permitted by Section 7.02; *provided* that, all such Indebtedness of any Loan Party owed to any Person that is not a Loan Party shall be subordinated to the payment in full of the Obligations;

(e) (i) Attributable Indebtedness and other Indebtedness (including Capitalized Lease Obligations) financing the acquisition, construction, repair, replacement or improvement of fixed or capital assets; *provided* that such Indebtedness is incurred concurrently with or within thirty (30) days after the applicable acquisition, construction, repair, replacement or improvement, and (ii) any Permitted Refinancing of any Indebtedness set forth in the immediately preceding clause (i); *provided* that the aggregate principal amount of all Indebtedness permitted under this Section 7.03(e) shall not exceed (A) with respect to the Debtors, \$1,000,000 at any time outstanding for all Debtors, and (B) with respect to the Non-Debtors, \$4,000,000 at any time outstanding for all Non-Debtors;

(f) Indebtedness in respect of Swap Contracts incurred in the ordinary course of business and not for speculative purposes;

(g) Indebtedness representing deferred compensation to employees of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(h) Indebtedness incurred by the Borrower or any Subsidiary in connection with any Investment or Disposition permitted by this Agreement, in each case constituting customary indemnification obligations or obligations in respect of purchase price or other similar adjustments;

(i) Indebtedness consisting of obligations of Holdings, the Borrower or the Subsidiaries under deferred compensation or other similar arrangements incurred by such Person in connection with any Investment expressly permitted hereunder;

(j) Indebtedness of Foreign Subsidiaries in respect of intraday overdraft protections and similar intraday arrangements in each case in connection with deposit accounts incurred in the ordinary course of business in connection with cash management activities in an aggregate amount at any time outstanding (determined when incurred) not to exceed (i) with respect to Foreign Subsidiaries domiciled in Europe, \$10,000,000 in the aggregate, (ii) with respect to Foreign Subsidiaries domiciled in Canada or Latin America, \$2,500,000 in the aggregate and (iii) with respect to Foreign Subsidiaries domiciled in Asia or Australia, \$2,500,000 in the aggregate;

(k) Indebtedness in an aggregate principal amount not to exceed (i) with respect to the Debtors, \$1,000,000 at any time outstanding for all Debtors, and (ii) with respect to the Non-Debtors, \$4,000,000 at any time outstanding for all Non-Debtors (except as a result of changes in the Exchange Rate);

(l) Indebtedness consisting of (a) the financing of insurance premiums with the providers of such insurance or their affiliates or (b) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(m) Indebtedness incurred by the Borrower or any of its Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances or similar instruments issued or created in the ordinary course of business in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other Indebtedness with respect to reimbursement-type obligations regarding workers compensation claims; *provided* that any reimbursement obligations in respect thereof are reimbursed within 30 days following the incurrence thereof;

(n) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees and similar obligations provided by the Borrower or any of its Subsidiaries or

obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with past practice;

(o) Foreign Jurisdiction Deposits;

(p) in connection with leasehold improvements in the Loan Parties' Seattle, WA location, Indebtedness incurred in connection with the financing thereof in an aggregate amount not to exceed \$3,000,000 at any time outstanding; and

(q) to the extent constituting Indebtedness, judgments, decrees, attachments or awards not constituting an Event of Default under Section 8.01(h).

Section 7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that:

(a) (i) any Subsidiary of the Borrower may merge or be consolidated with the Borrower or one or more other Debtors (provided that the Borrower or a Debtor, as the case may be, shall be the continuing or surviving Person) and (ii) any Non-Debtor Subsidiary may merge or be consolidated with one or more other Non-Debtor Subsidiaries;

(b) (i) any Subsidiary of the Borrower may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or one or more other Debtors and (ii) any Non-Debtor Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to one or more other Non-Debtor Subsidiaries; and

(c) a merger, dissolution, liquidation, consolidation or Disposition, the purpose of which is to effect a Disposition permitted pursuant to Section 7.05, may be completed.

Section 7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of obsolete or worn out property, including the abandonment or other Disposition of Intellectual Property that is no longer material to the business of the Borrower and its Subsidiaries, whether now owned or hereafter acquired, in the ordinary course of business;

(b) Dispositions of inventory in the ordinary course of business;

(c) (i) Dispositions of property by any Debtor to any other Debtor and (ii) Dispositions of property by any Non-Debtor Subsidiary to the Borrower or any Subsidiary; *provided* that if the transferor of such property is a Loan Party, (A) the transferee thereof must be a Loan Party or (B) to the extent such transaction constitutes an Investment, such transaction is permitted under Section 7.02;

(d) Dispositions permitted by Sections 7.04 and 7.06 and Liens permitted by Section 7.01;

(e) Dispositions of cash and Cash Equivalents;

(f) Dispositions of accounts receivable in connection with the collection or compromise thereof in the ordinary course of business;

(g) leases, subleases, licenses or sublicenses (including the provision of software under an open source license), in each case in the ordinary course of business and which do not materially interfere with the business of Holdings, the Borrower and the Subsidiaries;

(h) transfers of property to the extent subject to Casualty Events;

(i) Dispositions of the assets listed on Schedule 7.05(i); and

(j) Dispositions of property not otherwise permitted under this Section 7.05; *provided that* (i) at the time of such Disposition, no Default or Event of Default shall exist or would result from such Disposition, (ii) the aggregate book value of all property Disposed of in reliance on this Section 7.05(j) shall not exceed (A) in the case of Dispositions by the Debtors, \$1,000,000 in the aggregate for all Debtors, and (B) in the case of Dispositions by the Non-Debtors, \$4,000,000 in the aggregate for all Non-Debtors, and (iii) not less than 80% of the consideration for such Disposition shall be in the form of cash or Cash Equivalents (in each case, free and clear of all Liens at the time received), other than nonconsensual Liens permitted by Section 7.01 and Liens permitted by Section 7.01(p) and clauses (i) and (ii) of Section 7.01(r);

provided that any Disposition of any property pursuant to this Section 7.05 (except pursuant to clauses (c), (d) and (h) and except for Dispositions from a Loan Party to any other Loan Party) shall be for no less than the fair market value of such property at the time of such Disposition. To the extent any Collateral is Disposed of as expressly permitted by this Section 7.05 to any Person other than a Loan Party, such Collateral shall be sold free and clear of the Liens created by the Loan Documents without further action by the Administrative Agent, and the Administrative Agent shall be authorized to take any actions deemed appropriate in order to effect the foregoing.

Section 7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, except:

(a) (i) any Non-Debtor Subsidiary may make Restricted Payments to any Loan Party or which is paid to a Loan Party through any non-Loan Party, (ii) any Debtor may make Restricted Payments to any other Debtor, (iii) each Subsidiary that is not a Loan Party may make Restricted Payments to the Borrower and any other Subsidiary and (iv) any Loan Party may make Restricted Payments to Holdings the proceeds of which will be used to pay (or to make Restricted Payments to allow any direct or indirect parent of Holdings to pay) the tax liability attributable to such Loan Party in respect of consolidated, combined, unitary or affiliated tax returns for the relevant jurisdiction of Holdings (or such parent) in an amount not to exceed the taxes that would have been payable by such Loan Party on a stand-alone basis; and

(b) to the extent constituting Restricted Payments, Holdings, the Borrower and its Subsidiaries may enter into and consummate transactions expressly permitted by any provision of Section 7.04.

Section 7.07 Change in Nature of Business. Engage in a line of business different from those lines of business conducted by the Borrower and its Subsidiaries on the date hereof or any business reasonably related, ancillary or complementary thereto.

Section 7.08 Transactions with Affiliates. Enter into any transaction of any kind with any Affiliate of Holdings, whether or not in the ordinary course of business, other than (a) (i) transactions exclusively among any Debtors, (ii) transactions exclusively among any Loan Parties that are not Debtors, (iii) transactions exclusively among any Subsidiaries that are not Loan Parties and (iv) transactions

exclusively among any Group Members that are expressly contemplated by this Agreement to be among such Persons; *provided*, that in each case such transactions are not otherwise prohibited by this Agreement, (b) transactions in the ordinary course of business that are not otherwise prohibited by this Agreement and that are on fair and reasonable terms no less favorable to Holdings, the Borrower or such Subsidiary as would be obtainable by Holdings, the Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate, (c) Investments of the type permitted by clauses (a), (b), (c) and (d) of Section 7.02 and Restricted Payments permitted by Section 7.06 and (d) transactions pursuant to permitted agreements in existence on the Petition Date and set forth on Schedule 7.08.

Section 7.09 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that limits the ability of (a) any Subsidiary of the Borrower to make Restricted Payments to the Borrower or any other Subsidiary, (b) any Subsidiary of the Borrower to make loans or advances to, or other Investments in, the Borrower or any other Subsidiary, (c) any Subsidiary of the Borrower to transfer any of its assets to the Borrower or any other Subsidiary or (d) any Loan Party to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired; *provided* that the foregoing shall not apply to Contractual Obligations which (i) exist on the date hereof and (to the extent not otherwise permitted by this Section 7.09) are listed on Schedule 7.09 hereto, (ii) arise in connection with any Disposition permitted by Section 7.05 and relate solely to the assets or Person subject to such Disposition, (iii) are customary restrictions in leases, subleases, licenses, sublicenses or asset sale agreements otherwise permitted hereby entered into in the ordinary course of business and consistent with past practice so long as such restrictions relate only to the assets subject thereto, (iv) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of the Borrower or any Subsidiary, (v) are customary provisions restricting assignment of any agreement entered into in the ordinary course of business, (vi) are restrictions on cash or other deposits imposed by customers under contracts entered into in the ordinary course of business, and (vii) comprise restrictions imposed by a Lien permitted by Section 7.01 restricting the transfer of only the property subject thereto.

Section 7.10 Financial Condition Covenants.

(a) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio as at the last day of Test Period ending on any date set forth below to be less than the ratio set forth below opposite such date:

<u>Date</u>	<u>Consolidated Fixed Charge Coverage Ratio</u>
August 31, 2009	2.50 : 1.00
September 30, 2009	2.50 : 1.00
October 31, 2009	2.50 : 1.00
November 30, 2009	2.50 : 1.00
December 31, 2009	2.50 : 1.00
January 31, 2010	2.50 : 1.00
February 28, 2010	2.50 : 1.00
March 31, 2010	2.50 : 1.00
April 30, 2010	2.50 : 1.00

May 31, 2010	2.50 : 1.00
June 30, 2010	2.50 : 1.00
July 31, 2010	2.50 : 1.00
August 31, 2010	2.50 : 1.00

(b) Minimum Cumulative Consolidated EBITDA. Permit the Consolidated EBITDA as at the last day of any Test Period ending on any date set forth below, to be less than the amount set forth below opposite such date:

<u>Date</u>	<u>Cumulative Consolidated EBITDA</u>
August 31, 2009	\$115,000,000
September 30, 2009	\$115,000,000
October 31, 2009	\$115,000,000
November 30, 2009	\$120,000,000
December 31, 2009	\$120,000,000
January 31, 2010	\$120,000,000
February 28, 2010	\$120,000,000
March 31, 2010	\$120,000,000
April 30, 2010	\$120,000,000
May 31, 2010	\$120,000,000
June 30, 2010	\$120,000,000
July 31, 2010	\$125,000,000
August 31, 2010	\$125,000,000
September 30, 2010	\$125,000,000

(c) Minimum Liquidity. Permit Liquidity for any five consecutive Business Days to be less than \$85,000,000.

Section 7.11 Sale and Leaseback Transactions. Enter into any arrangement with any Person providing for the leasing by any Group Member of real or personal property that has been or is to be sold or transferred by such Group Member to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of such Group Member.

Section 7.12 Swap Contracts. Enter into any Swap Contract, except (a) Swap Contracts entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of any Person) and (b) Swap Contracts entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the

Borrower or any Subsidiary; *provided*, that in each case such Swap Contracts are not entered into for speculative purposes.

Section 7.13 Accounting Changes. Make any change in its fiscal year, except as required by GAAP.

Section 7.14 Prepayments, Etc. of Indebtedness. (a) Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner (it being understood that, solely in respect of the Prepetition Euro Term Loans and subject to the terms of the Orders and Section 8.01(m), payments of regularly scheduled interest and regularly scheduled amortization shall be permitted) the Indebtedness under the Prepetition Loan Documents, the Senior Subordinated Notes, any other Indebtedness that is required to be subordinated to the Obligations pursuant to the terms of the Loan Documents or the Holdings PIK Preferred (collectively, “**Junior Financing**”) or make any payment in violation of any subordination terms of any Junior Financing Documentation, except, other than in the case of the Indebtedness under the Prepetition Loan Documents, the Senior Subordinated Notes and the Holdings PIK Preferred, the refinancing thereof with the Net Cash Proceeds of any Permitted Refinancing otherwise permitted under Section 7.03.

(b) Amend, modify or change in any manner materially adverse to the interests of the Lenders (i) any term or condition of any Junior Financing Documentation, (ii) any Intercompany Note or (iii) except as required by the Bankruptcy Code, any Organization Document of any Group Member, in any case without the consent of the Administrative Agent.

Section 7.15 Holding Company. In the case of Holdings, conduct, transact or otherwise engage in any business or operations other than those incidental to (i) its ownership of the Equity Interests in, and its management of, the Borrower, (ii) the maintenance of its legal existence and its compliance with applicable Laws, (iii) the performance of the Loan Documents, (iv) any public offering of its common stock or any other issuance of its Equity Interests not prohibited by Article VII, and (v) the issuance, acquisition or maintenance of any Indebtedness or Investments, or the making of any Restricted Payments, that Holdings is expressly permitted to enter into or consummate under this Article VII; *provided* that, notwithstanding the foregoing, Holdings shall not own, lease, manage, acquire or otherwise operate any properties or assets (other than the ownership of Equity Interests in, and its management of, the Borrower, cash and Cash Equivalents and de minimis amounts of other assets incidental to the conduct of its business) or incur any material consensual liabilities (other than liabilities related to its existence and permitted business and activities specified above).

Section 7.16 Capital Expenditures. Permit the aggregate amount of Capital Expenditures made during any three (3) month period ending on the last day of each calendar month specified below to exceed the amount set forth opposite such period below:

<u>Capital Expenditure Period</u>	<u>Cumulative Three (3) Month Capital Expenditure Amount</u>
August, 2009	\$6,000,000
September, 2009	\$6,000,000
October, 2009	\$6,000,000
November, 2009	\$6,000,000
December, 2009	\$6,000,000

January, 2010	\$6,000,000
February, 2010	\$6,000,000
March, 2010	\$6,000,000
April, 2010	\$6,000,000
May, 2010	\$6,000,000
June, 2010	\$6,000,000
July, 2010	\$6,000,000
August, 2010	\$6,000,000
September, 2010	\$6,000,000

Section 7.17 Chapter 11 Claims. In the case of the Debtors, incur, create, assume, suffer to exist or permit any other Superpriority Claim or Lien on any Collateral which is pari passu with or senior to the Obligations (or the Liens securing the Obligations) hereunder, except in each case for the Carve Out and Liens permitted pursuant to Section 7.01(a) which, in accordance with the Interim Order (or Final Order, as applicable), are senior to such Liens.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01 Events of Default. Any of the following shall constitute an Event of Default:

- (a) *Non-Payment*. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan, or (ii) within three (3) Business Days after the same becomes due, any interest or any other amount payable hereunder or with respect to any other Loan Document; or
- (b) *Specific Covenants*. Any Group Member fails to perform or observe (or to cause the performance or observance of) any term, covenant or agreement contained in any of Sections 6.04(a), 6.06 (solely with respect to Holdings and the Borrower) or 6.16 or ARTICLE VII; or
- (c) *Other Defaults*. Any Group Member fails to perform or observe (or to cause the performance or observance of) any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for fifteen (15) days after written notice thereof by the Administrative Agent or the Required Lenders to the Borrower; or
- (d) *Representations and Warranties*. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document required to be delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made; or
- (e) *Cross-Default*. Any Group Member (A) fails to make any payment beyond the applicable grace period with respect thereto, if any (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness hereunder and, in the case of the Debtors, pre-Petition Date Indebtedness) having an aggregate principal amount of not less than the Threshold Amount, or (B) fails to observe or perform any other agreement or condition

contained in any instrument or agreement evidencing, governing, securing or otherwise relating to any such Indebtedness, or any other “default” (or like term) occurs, the effect of which failure or other “default” is to cause, or to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due (automatically or otherwise) prior to its stated maturity (or, in the case of any such Indebtedness constituting a Guarantee, to become payable); *provided*, that this clause (e)(B) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness; *provided, further*, that this clause (e) shall not apply in respect of (x) any Indebtedness of any Designated Non-Debtor that becomes due or payable, or is capable of becoming due or payable, prior to its stated maturity, or (y) any non-payment in respect of any Indebtedness by any Designated Non-Debtor, in each case to the extent caused by or directly resulting from the institution of any proceeding under any Debtor Relief Law in respect of such Designated Non-Debtor; or

(f) *Insolvency Proceedings, Etc.* Any Non-Debtor other than the Designated Non-Debtors institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator, administrator, administrative receiver or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for thirty (30) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for thirty (30) calendar days, or an order for relief approving or ordering any of the foregoing is entered in any such proceeding; or

(g) *Inability to Pay Debts; Attachment.* (i) Any Non-Debtor other than the Designated Non-Debtors becomes generally unable or admits in writing its inability generally or fails generally to pay its debts in excess of the Threshold Amount as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of the Non-Debtors, taken as a whole, and is not released, vacated or fully bonded within thirty (30) days after its issue or levy; or

(h) *Judgments.* (i) One or more judgments or decrees shall be entered against any Non-Debtor involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not disputed coverage) of \$5,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof; (ii) one or more judgments or decrees required to be satisfied as an administrative expense claim shall be entered after the Petition Date against any Debtor involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not disputed coverage) of \$1,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within twenty (20) days from the entry thereof or (iii) there shall be rendered against any Group Member a nonmonetary judgment with respect to any event (which, in the case of the Debtors, arose post-Petition Date) which causes or could reasonably be expected to have a Material Adverse Effect; or

(i) *ERISA.* (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect, (ii) any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of

any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount which could reasonably be expected to result in a Material Adverse Effect, (iii) any Loan Party or any ERISA Affiliate engages in any “prohibited transaction” (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Pension Plan which could reasonably be expected to result in a Material Adverse Effect, or (iv) other than the matters disclosed in Schedule 5.11(c), any other event or condition shall occur or exist with respect to a Pension Plan, a Foreign Benefit Arrangement or Foreign Plan which has resulted or could reasonably be expected to result in a Material Adverse Effect; or

(j) *Change of Control.* There occurs any Change of Control; or

(k) *Dismissal or Conversion of Cases.* Any of the Cases shall be dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or a trustee under Chapter 11 of the Bankruptcy Code shall be appointed in any of the Cases with expanded powers to operate or manage the financial affairs, business or reorganization of the Debtors; or

(l) *Orders; Invalid Plan Confirmation.* (i) An order of the Bankruptcy Court shall be entered granting another Superpriority Claim (other than the Carve Out) or Lien pari passu with or senior to that granted (x) to the Lenders and the Administrative Agent pursuant to this Agreement and the Interim Order (or the Final Order, as applicable), or (y) to the Prepetition Secured Parties pursuant to the Interim Order (or the Final Order, as applicable), (ii) an order of the Bankruptcy Court shall be entered reversing, staying for a period in excess of five (5) days, vacating or otherwise amending, supplementing or modifying the Interim Order (or the Final Order, as applicable) without the written consent of the Administrative Agent and the Required Lenders; (iii) the Prepetition Secured Parties’ Cash Collateral shall be used in a manner inconsistent with the Interim Order (or the Final Order, as applicable); (iv) an order of a court of competent jurisdiction shall be entered terminating the use of the Prepetition Secured Parties’ Cash Collateral; (v) an order of the Bankruptcy Court shall be entered under Section 1106(b) of the Bankruptcy Code in any of the Cases appointing a Chapter 11 trustee with plenary powers, a responsible officer or an examiner having enlarged powers relating to the operation of the business of the Loan Parties (i.e., powers beyond those set forth under Sections 1106(a)(3) and (4) of the Bankruptcy Code) and such order shall not be reversed or vacated within thirty (30) days after the entry thereof; (vi) the Final Order Entry Date shall not have occurred by the date that is forty-five (45) days following the date of entry of the Interim Order (or such later date as the Required Lenders may agree); or (vii) a plan shall be confirmed in any of the Cases of the Debtors that does not provide for termination of the Commitments and payment in full in cash of the Obligations (except as provided in Section 2.17) on the Effective Date of such plan of reorganization or any order shall be entered which dismisses any of the Cases of the Debtors or converts any of the Cases to a case under Chapter 7 of the Bankruptcy Code and which order does not provide for termination of the Commitments and payment in full in cash of the Obligations or any of the Debtors shall seek support, or fail to contest in good faith the filing or confirmation of such a plan or the entry of such an order; or

(m) *Pre-Petition Date Payments.* Any Debtor shall make any payments relating to pre-Petition Date obligations other than (i) as permitted under the Interim Order (or the Final Order, as applicable), (ii) in respect of and in accordance with, and to the extent authorized by, a “first day” order reasonably satisfactory to the Administrative Agent and (iii) as otherwise permitted under this Agreement, including pursuant to the Orders and in connection with adequate protection payments described in Section 2.12(c); or

(n) *Relief from Automatic Stay.* The entry of an order granting relief from the automatic stay so as to allow a third party to proceed against any property of any Debtor which has a value in excess of

\$10,000,000 in the aggregate or to permit other actions that could reasonably be expected to have a Material Adverse Effect on the Loan Parties or their estates; or

(o) *Failure to Comply with Orders.* Any Loan Party or any Subsidiary thereof shall fail to comply with the Interim Order or the Final Order; or

(p) *Supportive Actions.* The filing of any pleading by any Loan Party seeking, or otherwise consenting to, any of the matters set forth in paragraphs (k), (l), (m), (n) or (o) above in this Section; or

(q) *Certain Milestones.* The Debtors shall have failed to comply with any of the following: (i) file with the Bankruptcy Court a Conforming Plan and related disclosure statement for each of the Cases by the date that is 75 days after the Petition Date; (ii) obtain an order of the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lenders, approving such disclosure statement, by the date that is 115 days after the Petition Date; (iii) obtain an order of the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lenders, confirming such Conforming Plan, by (A) to the extent the Twelve Month Facility Extension Option has not been exercised, the date that is 80 days following entry of the order referred to in clause (ii) above or (B) to the extent the Twelve Month Facility Extension Option has been exercised, the date that is 120 days following entry of the order referred to in clause (ii) above; and (iv) consummate such Conforming Plan by the date that is 30 days after the entry of the order confirming such Conforming Plan; or

(r) *Collateral Relief.* Any proceeding shall be commenced by any Loan Party seeking, or otherwise consenting to, (i) the invalidation, subordination or other challenging of the Superpriority Claims and Liens granted to secure the Obligations or (ii) any relief under Section 506(c) of the Bankruptcy Code with respect to any Collateral; or

(s) *Invalid Plan.* Any Debtor files a plan of reorganization that does not provide for the termination of the Commitments and payment in full in cash of the Obligations (except as provided in Section 2.17) on the Effective Date or on terms and conditions otherwise reasonably acceptable to the Administrative Agent and the Required Lenders; or

(t) *Invalidity of Liens.* The Orders or any of the Collateral Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Liens or Superpriority Claims created by the Orders or any Collateral Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby other than by reason of the release thereof in accordance with the terms thereof; or

(u) *Invalidity of Guarantees.* The Guarantees contained in the Orders or in this Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or the Sponsors or any of their Affiliates shall so assert in writing.

Section 8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent may, and, at the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower (with a copy to the Prepetition Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee), take one or more of the following actions, at the same or different times (*provided* that with respect to clause (iii) below and the enforcement of Liens or other remedies with respect to the Collateral under clause (iv) below, the Administrative Agent shall provide the Borrower (with a copy to the Prepetition Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee) with seven Business Days' written notice prior to taking the action contemplated thereby; *provided, further*, that upon receipt of the notice referred to in the immediately preceding clause, the Borrower may continue to make ordinary

course and Carve Out disbursements from the account referred to in clause (iii) below but may not withdraw or disburse any other amounts from such account) (in any hearing after the giving of the aforementioned notice, the only issue that may be raised by any party in opposition of any such action shall be whether, in fact, an Event of Default has occurred and is continuing): (i) terminate forthwith the Commitments; (ii) declare the Loans then outstanding to be forthwith due and payable, whereupon the principal of the Loans, together with accrued interest thereon and any unpaid accrued fees and all other Obligations of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding; (iii) subject to the Interim Order (or Final Order, as applicable), set-off amounts held as cash collateral or in the accounts of the Loan Parties and apply such amounts to the Obligations of the Loan Parties hereunder and under the other Loan Documents in accordance with Section 11.03; and (iv) exercise any and all remedies under this Agreement, the Interim Order (or Final Order, as applicable), and applicable law available to the Administrative Agent and the Lenders.

ARTICLE IX

ADMINISTRATIVE AGENT AND OTHER AGENTS

Section 9.01 Appointment and Authorization of Agents. (a) Each Lender hereby irrevocably appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any other Loan Document, the Administrative Agent shall have no duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” herein and in the other Loan Documents with reference to any Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

(b) The Administrative Agent shall also act as the “collateral agent” under the Loan Documents, and each of the Lenders (in its capacities as a Lender) hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of (and to hold any security interest created by the Collateral Documents for and on behalf of or on trust for) such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “collateral agent” (and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.02 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Article IX (including, Section 9.07, as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto.

Section 9.02 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any other Loan Document (including for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents or of exercising any rights and remedies thereunder) by or through agents, employees or attorneys-in-fact and such sub-agents as shall be deemed necessary by the Administrative Agent and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or sub-agent or attorney-in-fact that it selects in the absence of gross negligence or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

Section 9.03 Liability of Agents. No Agent-Related Person shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein), or (b) be responsible in any manner to any Lender or participant for any recital, statement, representation or warranty made by any Loan Party or any officer thereof, contained herein or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or the perfection or priority of any Lien or security interest created or purported to be created under the Collateral Documents, or for any failure of any Loan Party or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lender or participant to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party or any Affiliate thereof.

Section 9.04 Reliance by Agents. (a) Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, communication, signature, resolution, representation, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to any Loan Party), independent accountants and other experts selected by such Agent. Each Agent shall be fully justified in failing or refusing to take any action under any Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders (or such greater number of Lenders as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders.

(b) For purposes of determining compliance with the conditions specified in Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

Section 9.05 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders,

unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default and stating that such notice is a “notice of default.” The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to any Event of Default as may be directed by the Required Lenders in accordance with Article VIII; provided that unless and until the Administrative Agent has received any such direction, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem advisable or in the best interest of the Lenders.

Section 9.06 Credit Decision; Disclosure of Information by Agents. Each Lender expressly acknowledges that no Agent-Related Person has made any representation or warranty to it, and that no act by any Agent hereafter taken, including any consent to and acceptance of any assignment or review of the affairs of any Loan Party or any Affiliate thereof, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender as to any matter, including whether Agent-Related Persons have disclosed material information in their possession. Each Lender represents to each Agent that it has, independently and without reliance upon any Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Loan Parties and their respective Subsidiaries, and all applicable bank or other regulatory Laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower and the other Loan Parties hereunder. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the other Loan Parties. Except for notices, reports and other documents expressly required to be furnished to the Lenders by any Agent herein, such Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any of the Loan Parties or any of their respective Affiliates which may come into the possession of any Agent-Related Person.

Section 9.07 Indemnification of Agents. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of any Loan Party and without limiting the obligation of any Loan Party to do so), pro rata, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; *provided* that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting from such Agent-Related Person’s own gross negligence or willful misconduct, as determined by the final non-appealable judgment of a court of competent jurisdiction; provided that no action taken in accordance with the directions of the Required Lenders (or such other number or percentage of the Lenders as shall be required by the Loan Documents) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.07. In the case of any investigation, litigation or proceeding giving rise to any Indemnified Liabilities, this Section 9.07 applies whether any such investigation, litigation or proceeding is brought by any Lender or any other Person. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. The

undertaking in this Section 9.07 shall survive termination of the Aggregate Commitments, the payment of all other Obligations and the resignation of the Administrative Agent.

Section 9.08 Agents in their Individual Capacities. JPMorgan Chase Bank and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, acquire Equity Interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with each of the Loan Parties and their respective Affiliates as though JPMorgan Chase Bank were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, JPMorgan Chase Bank or its Affiliates may receive information regarding any Loan Party or its Affiliates (including information that may be subject to confidentiality obligations in favor of such Loan Party or such Affiliate) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to its Loans, JPMorgan Chase Bank shall have the same rights and powers under this Agreement as any other Lender and may exercise such rights and powers as though it were not the Administrative Agent, and the terms “Lender” and “Lenders” include JPMorgan Chase Bank in its individual capacity.

Section 9.09 Successor Agents. The Administrative Agent may resign as the Administrative Agent upon thirty (30) days’ notice to the Lenders and the Borrower. If the Administrative Agent resigns under this Agreement, the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders. If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lenders, a successor agent, which shall be a Lender or a bank with an office in New York, New York or an Affiliate of such Lender or bank. Upon the acceptance of its appointment as successor agent hereunder, the Person acting as such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term “Administrative Agent,” shall mean such successor administrative agent and/or supplemental administrative agent, as the case may be, and the retiring Administrative Agent’s appointment, powers and duties as the Administrative Agent shall be terminated. After the retiring Administrative Agent’s resignation hereunder as the Administrative Agent, the provisions of this Article IX and Sections 12.04 and 12.05 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent under this Agreement. If no successor agent has accepted appointment as the Administrative Agent by the date which is thirty (30) days following the retiring Administrative Agent’s notice of resignation, the retiring Administrative Agent’s resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor and upon the execution and filing or recording of such financing statements, or amendments thereto, and such amendments or supplements to the Mortgages, and such other instruments or notices, as may be necessary or desirable, or as the Required Lenders may request, in order to (a) continue the perfection of the Liens granted or purported to be granted by the Collateral Documents or (b) otherwise ensure that the Collateral and Guarantee Requirement is satisfied, the Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges, and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under the Loan Documents. After the retiring Administrative Agent’s resignation hereunder as the Administrative Agent, the provisions of this Article IX shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent.

Section 9.10 Administrative Agent May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise

and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.07 and 12.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Administrative Agent under Sections 2.07 and 12.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 9.11 Collateral and Guarantee Matters. The Lenders irrevocably agree:

(a) that any Lien on any property granted to or held by the Administrative Agent under any Loan Document shall be automatically released (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent reimbursement and indemnification obligations not yet accrued and payable), (ii) at the time the property subject to such Lien is transferred or to be transferred as part of or in connection with any transfer permitted hereunder or under any other Loan Document to any Person other than a Loan Party, (iii) subject to Section 12.01, if the release of such Lien is approved, authorized or ratified in writing by the Required Lenders (or such greater number of Lenders as may be required pursuant to Section 12.01), or (iv) if the property subject to such Lien is owned by a Guarantor, upon release of such Guarantor from its obligations under its Guaranty hereunder pursuant to clause (c) below;

(b) (i) to release or subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.01(i) and (ii) that the Administrative Agent is authorized (but not required) to release or subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by any other clause of Section 7.01; and

(c) that any Guarantor shall be automatically released from its obligations hereunder and under the Security Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; *provided* that no such release shall occur if such Guarantor continues to be a guarantor in respect of any Junior Financing.

Upon request by the Administrative Agent at any time, the Required Lenders (or such greater number of Lenders as may be required pursuant to Section 12.01) will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations hereunder and under the Security Agreement pursuant to this Section 9.11. In each case as specified in this Section 9.11, the Administrative Agent will (and each Lender irrevocably authorizes the Administrative Agent to), at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release or subordination of such item of Collateral from the assignment and security interest granted under the Collateral Documents, or to evidence the release of such Guarantor from its obligations hereunder and under the Security Agreement, in each case in accordance with the terms of the Loan Documents and this Section 9.11.

Section 9.12 Other Agents; Arranger and Managers. None of the Lenders or other Persons identified on the facing page or signature pages of this Agreement as a "syndication agent," "bookrunner," "lead arranger" or "senior managing agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of the Lenders or other Persons so identified shall have or be deemed to have any fiduciary relationship with any Lender. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lenders or other Persons so identified in deciding to enter into this Agreement or in taking or not taking action hereunder.

Section 9.13 Appointment of Supplemental Administrative Agents. (a) It is the purpose of this Agreement and the other Loan Documents that there shall be no violation of any Law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as agent or trustee in such jurisdiction. It is recognized that in case of litigation under this Agreement or any of the other Loan Documents, and in particular in case of the enforcement of any of the Loan Documents, or in case the Administrative Agent deems that by reason of any present or future Law of any jurisdiction it may not exercise any of the rights, powers or remedies granted herein or in any of the other Loan Documents or take any other action which may be desirable or necessary in connection therewith, the Administrative Agent is hereby authorized to appoint an additional individual or institution selected by the Administrative Agent in its sole discretion as a separate trustee, co-trustee, administrative agent, collateral agent, administrative sub-agent or administrative co-agent (any such additional individual or institution being referred to herein individually as a "**Supplemental Administrative Agent**" and collectively as "**Supplemental Administrative Agents**").

(b) In the event that the Administrative Agent appoints a Supplemental Administrative Agent with respect to any Collateral, (i) each and every right, power, privilege or duty expressed or intended by this Agreement or any of the other Loan Documents to be exercised by or vested in or conveyed to the Administrative Agent with respect to such Collateral shall be exercisable by and vest in such Supplemental Administrative Agent to the extent, and only to the extent, necessary to enable such Supplemental Administrative Agent to exercise such rights, powers and privileges with respect to such Collateral and to perform such duties with respect to such Collateral, and every covenant and obligation contained in the Loan Documents and necessary to the exercise or performance thereof by such Supplemental Administrative Agent shall run to and be enforceable by either the Administrative Agent or such Supplemental Administrative Agent, and (ii) the provisions of this Article IX and of Sections 12.04 and 12.05 that refer to the Administrative Agent shall inure to the benefit of such Supplemental Administrative Agent and all references therein to the Administrative Agent shall be deemed to be references to the Administrative Agent and/or such Supplemental Administrative Agent, as the context may require.

(c) Should any instrument in writing from the Borrower, Holdings or any other Loan Party be required by any Supplemental Administrative Agent so appointed by the Administrative Agent for more fully and certainly vesting in and confirming to him or it such rights, powers, privileges and duties, the Borrower or Holdings, as applicable, shall, or shall cause such Loan Party to, execute, acknowledge and deliver any and all such instruments promptly upon request by the Administrative Agent. In case any Supplemental Administrative Agent, or a successor thereto, shall die, become incapable of acting, resign or be removed, all the rights, powers, privileges and duties of such Supplemental Administrative Agent, to the extent permitted by Law, shall vest in and be exercised by the Administrative Agent until the appointment of a new Supplemental Administrative Agent.

ARTICLE X

GUARANTEE

Section 10.01 Guarantee. (a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns permitted hereunder, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations.

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor under this Section 10.01 and under the other Loan Documents shall in no event exceed the amount which is permitted under applicable federal and state laws relating to the insolvency of debtors.

(c) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Article X or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(d) The guarantee contained in this Article X shall remain in full force and effect until all the Obligations and the obligations of each Guarantor under the guarantee contained in this Article X shall have been satisfied by payment in full (other than contingent reimbursement and indemnification obligations not yet accrued and payable) and the Commitments shall be terminated.

(e) No payment made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Obligations or any payment received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Obligations are paid in full (other than contingent reimbursement and indemnification obligations not yet accrued and payable) and the Commitments are terminated.

Section 10.02 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 10.03. The provisions of this Section 10.02 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent

and the Lenders, and each Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

Section 10.03 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Borrower on account of the Obligations are paid in full and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

Section 10.04 Amendments, etc. with Respect to the Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Obligations continued, and the Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and the other Loan Documents and any other documents executed and delivered in connection herewith or therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for the guarantee contained in this Article X or any property subject thereto.

Section 10.05 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Article X or acceptance of the guarantee contained in this Article X; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Article X; and all dealings between the Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Article X. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Obligations. Each Guarantor understands and agrees that the guarantee contained in this Article X shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or

counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of such Guarantor under the guarantee contained in this Article X, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor, or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor, or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor, or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof “demand” shall include the commencement and continuance of legal proceedings relating to this guarantee or the Obligations.

Section 10.06 Reinstatement. The guarantee contained in this Article X shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Loan Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

Section 10.07 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in the applicable currency at the Administrative Agent’s Office.

ARTICLE XI

REMEDIES; APPLICATION OF PROCEEDS

Section 11.01 Remedies; Obtaining the Collateral Upon Default. Upon the occurrence and during the continuance of an Event of Default and with not fewer than seven Business Days prior written notice by the Administrative Agent (or such longer time as may be required pursuant to the Orders), to the extent any such action is not inconsistent with the Interim Order (or the Final Order, as applicable) or Article VIII, the Administrative Agent, in addition to any rights now or hereafter existing under applicable law, and without application to or order of the Bankruptcy Court, shall have all rights as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(a) personally, or by agents or attorneys, immediately retake possession of the Collateral or any part thereof, from the Borrower, any Guarantor, or any other Person who then has possession of any part thereof with or without notice or process of law (but subject to any Requirements of Law), and for that purpose may enter upon the Borrower’s, or any Guarantor’s premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Borrower, or such Guarantor;

(b) instruct the obligor or obligors on any agreements, instrument or other obligation constituting the Collateral to make any payment required by the terms of such instrument or agreement directly to any Cash Collateral account;

(c) sell, assign or otherwise liquidate, or direct any Loan Party to sell, assign or otherwise liquidate, any or all of the Collateral or any part thereof in accordance with Section 11.02, and take possession of the proceeds of any such sale, assignment or liquidation; and

(d) take possession of the Collateral or any part thereof, by directing the Borrower and any Guarantor in writing to deliver the same to the Administrative Agent at any place or places designated by the Administrative Agent, in which event the Borrower and such Guarantor shall at its own expense:

(i) forthwith cause the same to be moved to the place or places so designated by the Administrative Agent and there delivered to the Administrative Agent,

(ii) store and keep any Collateral so delivered to the Administrative Agent at such place or places pending further action by the Administrative Agent as provided in Section 11.02, and

(iii) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

it being understood that the Borrower's and each Guarantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to the Bankruptcy Court, the Administrative Agent shall be entitled to a decree requiring specific performance by the Borrower or such Guarantor of such obligation.

Section 11.02 Remedies; Disposition of the Collateral. Upon the occurrence and during the continuance of an Event of Default (and following not fewer than seven Business Days prior written notice by the Administrative Agent (or such longer time as may be required pursuant to the Orders)), and to the extent not inconsistent with the Interim Order (or the Final Order, as applicable) or Article VIII, without application to or order of the Bankruptcy Court, any Collateral repossessed by the Administrative Agent under or pursuant to Section 11.01 or the Interim Order (or the Final Order, as applicable) or otherwise, and any other Collateral whether or not so repossessed by the Administrative Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on commercially reasonable terms, in compliance with any Requirements of Law. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Administrative Agent or after any overhaul or repair which the Administrative Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceeding permitted by applicable Requirements of Law shall be made upon not less than ten (10) days' written notice to the Borrower specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the ten (10) days after the giving of such notice, to the right of the Borrower or any nominee of the Borrower to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by applicable Requirements of Law shall be made upon not less than ten (10) days' written notice to the Borrower specifying the time and place of such sale and, in the absence of applicable Requirement of Law, shall be by public auction (which may, at the Administrative Agent's option, be subject to reserve), after publication of notice of such auction not less than ten (10) days prior

thereto in USA Today and The Wall Street Journal, National Edition. Subject to Section 11.04, to the extent permitted by any such Requirement of Law, the Administrative Agent on behalf of the Lenders or any Lender may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this Section 11.02 without accountability to the Borrower, any Guarantor or the Prepetition Secured Parties (except to the extent of surplus money received). If, under mandatory Requirements of Law, the Administrative Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to the Borrower as hereinabove specified, the Administrative Agent need give the Borrower only such notice of disposition as shall be reasonably practicable.

Section 11.03 Application of DIP Proceeds. (a) Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, (i) if the Administrative Agent takes action under Article VIII upon the occurrence and during the continuance of an Event of Default, or at any time on or after the Termination Date, any payment by any Debtor on account of principal of, interest on and fees with respect to the Loans, or any Guarantee with respect thereto, and any proceeds arising out of any realization (including after foreclosure) upon the Collateral shall be applied as follows: first, to the payment of professional fees pursuant to the Carve Out, second, to the payment in full of all costs and out-of-pocket expenses (including without limitation, reasonable attorneys' fees and disbursements) paid or incurred by the Administrative Agent or any of the Lenders in connection with any such realization upon the Collateral to which the Administrative Agent or the Lenders, as the case may be, are entitled to reimbursement under the Loan Documents, and third, to the payment in full of the Loans (including any accrued and unpaid interest thereon) and any fees and other Obligations in respect thereof, and (ii) any payments or distributions of any kind or character, whether in cash, property or securities, made by any Debtor or otherwise in a manner inconsistent with clause (i) of this Section 11.03(a) shall be held in trust and paid over or delivered to the Administrative Agent so that the priorities and requirements set forth in such clause (i) are satisfied.

(b) It is understood that the Debtors shall remain liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the amount of the Obligations.

Section 11.04 WAIVER OF CLAIMS. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE LOAN PARTIES HEREBY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW:

(a) NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE ADMINISTRATIVE AGENT'S TAKING POSSESSION OR THE ADMINISTRATIVE AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH THE US BORROWER, OR ANY GUARANTOR WOULD OTHERWISE HAVE UNDER ANY REQUIREMENT OF LAW;

(b) ALL DAMAGES OCCASIONED BY SUCH TAKING OF POSSESSION EXCEPT ANY DAMAGES WHICH ARE THE DIRECT RESULT OF THE ADMINISTRATIVE AGENT'S OR ANY LENDER'S BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT;

(c) ALL OTHER REQUIREMENTS TO THE TIME, PLACE AND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF THE ADMINISTRATIVE AGENT'S RIGHTS HEREUNDER; AND

(d) ALL RIGHTS OF REDEMPTION, APPRAISEMENT, STAY, EXTENSION OR MORATORIUM NOW OR HEREAFTER IN FORCE UNDER ANY APPLICABLE LAW IN ORDER

TO PREVENT OR DELAY THE ENFORCEMENT OF THIS AGREEMENT OR THE ABSOLUTE SALE OF THE COLLATERAL OR ANY PORTION THEREOF, AND EACH LOAN PARTY, FOR ITSELF AND ALL WHO MAY CLAIM UNDER IT, INSOFAR AS IT OR THEY NOW OR HEREAFTER LAWFULLY MAY, HEREBY WAIVES THE BENEFIT OF ALL SUCH LAWS.

Section 11.05 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Administrative Agent and the Lenders shall be in addition to every other right, power and remedy specifically given under this Agreement, the Orders or the other Loan Documents or now or hereafter existing at law or in equity, or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Administrative Agent or any Lender. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of exercise of one shall not be deemed a waiver of the right to exercise of any other or others. No delay or omission of the Administrative Agent or any Lender in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence therein. In the event that the Administrative Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Administrative Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

Section 11.06 Discontinuance of Proceeding. In case the Administrative Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Administrative Agent, then and in every such case the Borrower, the Administrative Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the Liens granted under this Agreement and the Final Order, and all rights, remedies and powers of the Administrative Agent and the Lenders shall continue as if no such proceeding had been instituted.

ARTICLE XII

MISCELLANEOUS

Section 12.01 Amendments, Etc. Except as otherwise set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided that*, no such amendment, waiver or consent shall:

(a) extend or increase the Commitment of any Lender without the written consent of each Lender directly affected thereby (it being understood that a waiver of any condition precedent set forth in Section 4.03 or the waiver of any Default or mandatory prepayment shall not constitute an extension or increase of any Commitment of any Lender);

(b) postpone any date scheduled for, or reduce or forgive the amount of, any payment of principal or interest under Section 2.05 or 2.06 without the written consent of each Lender directly affected thereby, it being understood that neither the waiver of (or amendment to the terms of) any mandatory prepayment of the Loans nor the exercise of the Twelve Month Maturity Extension Option shall not constitute a postponement of any date scheduled for the payment of principal or interest;

(c) reduce or forgive the principal of, or the rate of interest specified herein on, any Loan or (subject to clause (i) of the second proviso to this Section 12.01) any fees (including fees set forth in Section 2.07 or other amounts payable hereunder or under any other Loan Document), or extend, postpone or waive the date upon which any fees are to be paid, without the written consent of each Lender directly affected thereby; *provided* that, only the consent of the Required Lenders shall be necessary to amend the definition of “Default Rate” or to waive any obligation of the Borrower to pay interest at the Default Rate;

(d) change any provision of this Section 12.01, the definition of “Required Lenders” or “Pro Rata Share”, Section 2.04(c), the third sentence of Section 2.10(a), Section 2.11, Section 11.03 or Section 12.07(a)(x) or the Exit Term Sheet without the written consent of each Lender affected thereby;

(e) amend or modify the Superpriority Claim status of the Lenders or release or subordinate all or substantially all of the Liens or Collateral granted to the Secured Parties under any Loan Document or under the Orders in any transaction or series of related transactions, without the written consent of each Lender;

(f) release all or substantially all of the aggregate value of the Guaranty, without the written consent of each Lender; or

(g) increase any Dollar amount, extend any date or decrease requisite Lender vote in Section 2.03(b)(i)(C) without the written consent of Lenders holding more than 66 $\frac{2}{3}$ % of the aggregate amount of the Loans and unused Commitments;

and *provided further* that (i) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of, or any fees or other amounts payable to, the Administrative Agent under this Agreement or any other Loan Document; and (ii) Section 12.07(h) may not be amended, waived or otherwise modified without the consent of each Granting Lender all or any part of whose Loans are being funded by an SPC at the time of such amendment, waiver or other modification. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender (it being understood that any Commitments or Loans held or deemed held by any Defaulting Lender shall be excluded for a vote of the Lenders hereunder requiring any consent of the Lenders).

Section 12.02 Notices and Other Communications; Facsimile Copies. (a) *General.* Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Loan Document shall be in writing (including by facsimile transmission). All such written notices shall be mailed, faxed or delivered to the applicable address, facsimile number or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Borrower or the Administrative Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person below or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties:

The Borrower:

The Reader’s Digest Association, Inc.
Reader’s Digest Road
Pleasantville, NY 10570

Attention: Treasurer
Telephone number: 914-244-7683
Facsimile number: 914-244-5904
Electronic mail address: william.magill@rd.com
Website address: www.rd.com

With copies to (which shall not constitute a notice hereunder):

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Attention: Leonard Klingbaum
Telephone number: 212-446-4792
Facsimile number: 212-446-6460
Electronic mail address: leonard.klingbaum@kirkland.com

The Administrative Agent:

JPMorgan Chase Bank, N.A.
277 Park Avenue, 8th Floor
New York, NY 10172
Attention: Elizabeth A. Kelley
Telephone number: 212-622-4511
Facsimile number: 212-622-4557
Electronic mail address: elizabeth.kelley@jpmorgan.com

With a copy to:

JPMorgan Chase Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Maryann T. Bui
Telephone number: 713-750-7932
Facsimile number: 713-750-2878
Electronic mail address: maryann.t.bui@jpmchase.com

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower and the Administrative Agent.

All such notices and other communications shall be deemed to be given or made, if given or made during the recipient's normal business hours (and if not, shall be deemed to be given or made on the next succeeding Business Day), upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four (4) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of Section 12.02(d)), when delivered; *provided* that notices and other communications to the Administrative Agent pursuant to Article II shall not be effective until actually received by the Administrative Agent. In no event shall a voice mail message be effective as a notice, communication or confirmation hereunder.

(b) *Effectiveness of Facsimile Documents and Signatures.* Loan Documents may be transmitted and/or signed by facsimile or “PDF” (subject to Section 12.02(d)). The effectiveness of any such documents and signatures shall, subject to applicable Law, have the same force and effect as manually signed originals and shall be binding on all Loan Parties, the Agents and the Lenders.

(c) *Reliance by Agents and Lenders.* The Administrative Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Agent-Related Person and each Lender from all losses, liabilities and related reasonable out-of-pocket costs and expenses resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower in the absence of gross negligence or willful misconduct. All telephonic notices to the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

(d) *Electronic Communications.* Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender pursuant to Articles II and III, if such Lender has notified the Administrative Agent that it is incapable of receiving notices thereunder by electronic communication. The Administrative Agent or the Borrower may, in their discretion, agree to accept notices and other communications to them hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender’s receipt of an acknowledgment from the intended recipient (such as by the “return receipt requested” function, as available, return e-mail or other written acknowledgment), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

Section 12.03 No Waiver; Cumulative Remedies. No failure by any Lender or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by Law.

Section 12.04 Attorney Costs, Expenses and Taxes. The Borrower agrees (a) to pay or reimburse the Administrative Agent, the Syndication Agent, the Arranger and the Specified Lenders for all reasonable documented out-of-pocket costs and expenses incurred in connection with the preparation, negotiation, syndication and execution of this Agreement and the other Loan Documents, and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated thereby are consummated), and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs of one lead counsel in each relevant jurisdiction and costs of Moelis, J.H. Cohn and other advisors to the Administrative Agent,

(b) to pay or reimburse the Administrative Agent, the Syndication Agent, the Arranger and each Lender for all out-of-pocket costs and expenses incurred in connection with the enforcement of any rights or remedies under this Agreement or the other Loan Documents (including all such costs and expenses incurred during any negotiations, workouts, restructurings or legal proceedings, including any proceeding under any Debtor Relief Law, and including all Attorney Costs of one lead counsel in each relevant jurisdiction and the fees and disbursements of any financial advisor or third party consultants or appraisers to and of the Administrative Agent and (c) to pay or reimburse the Administrative Agent, the Syndication Agent, the Arranger and the Specified Lenders, for all reasonable documented out-of-pocket costs and expenses incurred in connection with this Agreement and the other Loan Documents, the Orders or the Cases (including, without limitation, the on-going monitoring of the Cases, including attendance at hearings or other proceedings and the on-going review of documents filed with the Bankruptcy Court, and all Attorney Costs and costs of Moelis, J.H. Cohn and other advisors to the Administrative Agent, but excluding, solely in the case of the Specified Lenders, Attorney Costs and costs of financial advisors). The foregoing costs and expenses shall include all search, filing, recording and title insurance charges and fees and taxes related thereto, and other (reasonable and out-of-pocket, in the case of clauses (a) and (c) above) expenses incurred by any Agent. The agreements in this Section 12.04 shall survive the termination of the Aggregate Commitments and repayment of all other Obligations. All amounts due under this Section 12.04 shall be paid within ten (10) Business Days of receipt by the Borrower of an invoice relating thereto setting forth such expenses in reasonable detail. If any Loan Party fails to pay when due any costs, expenses or other amounts payable by it hereunder or under any Loan Document, such amount may be paid on behalf of such Loan Party by the Administrative Agent in its sole discretion.

Section 12.05 Indemnification by the Borrower. Whether or not the transactions contemplated hereby are consummated, the Borrower shall indemnify and hold harmless each Agent-Related Person, each Lender and their respective Affiliates, and directors, officers, employees, counsel, agents, trustees, investment advisors and attorneys-in-fact of each of the foregoing (collectively, the “**Indemnitees**”) from and against any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments and suits and related reasonable out-of-pocket expenses (including Attorney Costs) of any kind or nature whatsoever which may at any time be imposed on, incurred by or asserted against any such Indemnitee in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance, administration, amendment, modification or waiver of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment or Loan or the use or proposed use of the proceeds therefrom, or (c) to the extent relating to or arising from any of the foregoing, any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned, leased or operated by any Group Member, or any Environmental Liability related in any way to any Group Member, or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for, or defense of any pending or threatened claim, investigation, litigation or proceeding) and regardless of whether any Indemnitee is a party thereto (all the foregoing, collectively, the “**Indemnified Liabilities**”), in all cases, whether or not caused by or arising, in whole or in part, out of the negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits or expenses are found in a final non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee, any Affiliate of such Indemnitee or any officer, director, employee, advisor, representative or agent of such Indemnitee or any such Affiliate. No Indemnitee shall be liable to any Group Member for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement. No Indemnitee shall be liable (whether direct or indirect, in contract, tort or otherwise) to any Group Member except to the extent such liability is found in a non-appealable judgment of a court of

competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee, any Affiliate of such Indemnitee or any officer, director, employee, advisor, representative or agent of such Indemnitee or any such Affiliate. No Indemnitee shall have any liability to any Group Member, nor any Group Member to any Indemnitee, for any special, punitive, indirect or consequential damages (including, without limitation, loss of profits, business or anticipated savings) relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date). All amounts due under this Section 12.05 shall be paid within ten (10) Business Days after demand therefor; provided, however, that such Indemnitee shall promptly refund any amount received under this Section 12.05 to the extent that there is a final judicial or arbitral determination that such Indemnitee was not entitled to indemnification or contribution rights with respect to such payment pursuant to the express terms of this Section 12.05. The agreements in this Section 12.05 shall survive the resignation of the Administrative Agent, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

Section 12.06 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to any Agent or any Lender, or any Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share of any amount so recovered from or repaid by any Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect.

Section 12.07 Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (x) neither Holdings nor the Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender and (y) no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee, (ii) by way of participation in accordance with the provisions of Section 12.07(e), (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 12.07(g) or Section 12.07(i) or (iv) to an SPC in accordance with the provisions of Section 12.07(h) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 12.07(e) and, to the extent expressly contemplated hereby, the Indemnitees) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees (other than (A) a natural person or (B) Holdings or any of its Subsidiaries or any of their respective Affiliates) (“Assignees”) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$1,000,000 and in increments of \$1,000,000 in excess thereof unless the Administrative Agent otherwise consents, *provided* that such amounts shall be aggregated in respect of each Lender and its Affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; *provided* that only one such fee shall be payable in the event of simultaneous assignments to or from two or more Approved Funds;

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more Credit Contacts (as defined in the Administrative Questionnaire) to whom all syndicate-level information (which may contain material non-public information about Holdings, the Borrower, the other Loan Parties and their Affiliates and related parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws;

(D) the Assignee, if not already a party thereto, shall become a party to the Restructuring Support Agreement; and

(E) no assignment shall be effective unless and until such assignment is recorded in the Register.

This paragraph (b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis.

(c) Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 12.07(d), from and after the effective date specified in each Assignment and Assumption, the Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, 12.04 and 12.05 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, and the surrender by the assigning Lender of its Note, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause (c) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.07(e).

(d) The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and related interest amounts) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive,

absent manifest error, and the Borrower, the Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Administrative Agent and, with respect to its own Loans and Commitments, any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(e) Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than (A) a natural person or (B) Holdings or any of its Subsidiaries or any of their respective Affiliates) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement owing to it); *provided* that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement or the other Loan Documents; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 12.01 that directly affects such Participant. Subject to Section 12.07(f), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.07(c) but shall not be entitled to recover greater amounts under such Sections than the selling Lender would be entitled to recover. To the extent permitted by applicable Law, each Participant also shall be entitled to the benefits of Section 12.09 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.11 as though it were a Lender. Each Lender that sells a participation with respect to a Commitment or a Loan shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and related interest amounts) of each Participant’s interest in the Commitment and/or Loan (the “**Participant Register**”). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(f) A Participant shall not be entitled to receive any greater payment under Section 3.01, 3.04 and 3.05 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant shall not be entitled to the benefits of Section 3.01 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 12.15 as though it were a Lender.

(g) Any Lender may at any time, without the consent of the Borrower or the Administrative Agent, pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a “**Granting Lender**”) may grant to a special purpose funding vehicle identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower (an “**SPC**”) the option to provide all or any part of any Loan that such Granting Lender would otherwise be obligated to make pursuant to

this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any SPC to fund any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to make all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. Each party hereto hereby agrees that (i) neither the grant to any SPC nor the exercise by any SPC of such option shall increase the costs or expenses or otherwise increase or change the obligations of the Borrower under this Agreement (including its obligations under Section 3.01, 3.04 or 3.05), (ii) no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would be liable, and (iii) the Granting Lender shall for all purposes, including the approval of any amendment, waiver or other modification of any provision of any Loan Document, remain the lender of record hereunder. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Notwithstanding anything to the contrary contained herein, any SPC may (i) with notice to, but without prior consent of the Borrower and the Administrative Agent and with the payment of a processing fee of \$3,500, assign all or any portion of its right to receive payment with respect to any Loan to the Granting Lender and (ii) disclose on a confidential basis any non-public information relating to its funding of Loans to any rating agency, commercial paper dealer or provider of any surety or Guarantee or credit or liquidity enhancement to such SPC.

(i) Notwithstanding anything to the contrary contained herein, (1) any Lender may in accordance with applicable Law create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it and (2) any Lender that is a Fund may, without the consent of the Borrower or the Administrative Agent, create a security interest in all or any portion of the Loans owing to it and the Note, if any, held by it to the trustee for holders of obligations owed, or securities issued, by such Fund as security for such obligations or securities; *provided* that unless and until such trustee actually becomes a Lender in compliance with the other provisions of this Section 12.07, (i) no such pledge shall release the pledging Lender from any of its obligations under the Loan Documents and (ii) such trustee shall not be entitled to exercise any of the rights of a Lender under the Loan Documents.

Section 12.08 Confidentiality. Each of the Agents and the Lenders agrees to maintain the confidentiality of the Information, except that Information may be disclosed (a) on a need to know basis to its Affiliates and its and its Affiliates' directors, officers, employees, trustees, investment advisors and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential pursuant to the terms hereof); (b) to the extent requested by any Governmental Authority; (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process; (d) to any other party to this Agreement; (e) subject to an agreement for the benefit of the Borrower containing provisions substantially the same as those of this Section 12.08 (or as may otherwise be reasonably acceptable to the Borrower), to any pledgee referred to in Section 12.07(g), counterparty to a Swap Contract, Eligible Assignee of or Participant in, or any prospective Eligible Assignee of or Participant in, any of its rights or obligations under this Agreement; (f) with the written consent of the Borrower; (g) to the extent such Information becomes publicly available other than as a result of a breach of this Section 12.08; (h) to any Governmental Authority or examiner (including the National Association of Insurance Commissioners or any other similar organization) regulating any Lender; (i) to any rating agency when required by it (it being understood that, prior to any such disclosure, such rating agency shall undertake to preserve the confidentiality of any Information relating to the Loan Parties received by it from such Lender); or (j) in connection with the exercise of any remedies hereunder, under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder. In addition, the Agents and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration and management of this

Agreement, the other Loan Documents, the Commitments, and the Loans. For the purposes of this Section 12.08, “**Information**” means all information received from any Loan Party relating to any Loan Party or its business, other than any such information that is publicly available to any Agent or any Lender prior to disclosure by any Loan Party other than as a result of a breach of this Section 12.08; provided that, in the case of information received from a Loan Party after the date hereof, such information (i) is clearly identified at the time of delivery as confidential or (ii) is delivered pursuant to Section 6.01, 6.02 or 6.04 hereof.

EACH LENDER ACKNOWLEDGES THAT INFORMATION FURNISHED TO IT PURSUANT TO THIS AGREEMENT OR THE OTHER LOAN DOCUMENTS MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING HOLDINGS, THE BORROWER, THE OTHER LOAN PARTIES AND THEIR AFFILIATES AND RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING WAIVERS AND AMENDMENTS, FURNISHED BY HOLDINGS, THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT HOLDINGS, THE BORROWER, THE OTHER LOAN PARTIES AND THEIR AFFILIATES AND RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO HOLDINGS, THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

Section 12.09 Setoff. In addition to any rights and remedies of the Lenders provided by Law, upon the occurrence and during the continuance of any Event of Default, subject to the Carve Out and the Orders and, after giving of the notice described in Article VIII notwithstanding the provisions of Section 362 of the Bankruptcy Code, each Lender and its Affiliates is authorized at any time and from time to time, without prior notice to the Borrower or any other Loan Party, any such notice being waived by the Borrower (on its own behalf and on behalf of each Loan Party and its Subsidiaries) to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other Indebtedness at any time owing by, such Lender and its Affiliates to or for the credit or the account of the respective Loan Parties and their Subsidiaries against any and all Obligations owing to such Lender and its Affiliates hereunder or under any other Loan Document, now or hereafter existing, irrespective of whether or not such Agent or such Lender or Affiliate shall have made demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmaturing or denominated in a currency different from that of the applicable deposit or Indebtedness. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such set off and application made by such Lender; *provided*, that the failure to give such notice shall not affect the validity of such setoff and application. The rights of the Administrative Agent and each Lender under this Section 12.09 are in addition to other rights and remedies (including other rights of setoff) that the Administrative Agent and such Lender may have. Notwithstanding anything herein or in any other Loan Document to the contrary, in no event shall the assets of any Foreign Subsidiary that is not a Loan Party constitute collateral security for payment of the

Obligations of the Borrower or any Domestic Subsidiary, it being understood that (a) the Equity Interests of any Foreign Subsidiary that is not a Loan Party do not constitute such an asset and (b) the provisions hereof shall not limit, reduce or otherwise diminish in any respect the Borrower's obligations to make any mandatory prepayment pursuant to Section 2.03(b)(i).

Section 12.10 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable Law (collectively the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment, shall have been received by such Lender.

Section 12.11 Counterparts. This Agreement and each other Loan Document may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery by telecopier of an executed counterpart of a signature page to this Agreement and each other Loan Document shall be effective as delivery of an original executed counterpart of this Agreement and such other Loan Document. The Agents may also require that any such documents and signatures delivered by telecopier be confirmed by a manually signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature delivered by telecopier.

Section 12.12 Integration. This Agreement, together with the other Loan Documents, comprises the complete and integrated agreement of the parties on the subject matter hereof and thereof and supersedes all prior agreements, written or oral, on such subject matter. In the event of any conflict between the provisions of this Agreement and those of any other Loan Document, the provisions of this Agreement shall control; provided that the inclusion of supplemental rights or remedies in favor of the Agents or the Lenders in any other Loan Document shall not be deemed a conflict with this Agreement. Each Loan Document was drafted with the joint participation of the respective parties thereto and shall be construed neither against nor in favor of any party, but rather in accordance with the fair meaning thereof.

Section 12.13 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by each Agent and each Lender, regardless of any investigation made by any Agent or any Lender or on their behalf and notwithstanding that any Agent or any Lender may have had notice or knowledge of any Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 12.14 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 12.15 Tax Forms. Any Lender that is entitled to an exemption from or reduction of any applicable withholding tax with respect to payments under this Agreement or any of the Loan Documents shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Without limiting the generality of the foregoing (i) each Lender and Agent that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code (each, a “**Foreign Lender**”) shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender or Agent under this Agreement or changes its Lending Office or place of organization (and from time to time thereafter upon the request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(a) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(b) duly completed copies of Internal Revenue Service Form W-8ECI,

(c) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H to the effect that (A) such Foreign Lender is not (i) a “bank” described in Section 881(c)(3)(A) of the Code, (ii) a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code or (iii) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code and (B) the interest payments in question are not effectively connected with the United States trade or business conducted by such Lender (a “**U.S. Tax Compliance Certificate**”) and (y) duly completed copies of Internal Revenue Service Form W-8BEN,

(d) to the extent a Foreign Lender is not the beneficial owner (for example, where the Foreign Lender is a partnership or participating Lender granting a typical participation), an Internal Revenue Service Form W-8IMY, accompanied by a Form W-8ECI, W-8BEN, U.S. Tax Compliance Certificate, Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that, if the Foreign Lender is a partnership (and not a participating Lender) and one or more beneficial owners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate on behalf of each such beneficial owner, or

(e) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made; and

(ii) each Lender and Agent that is a “United States person” within the meaning of Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender or Agent becomes a Lender or Agent under this Agreement or changes its Lending Office or place of organization (and from time to time thereafter upon the request of the Borrower or the Administrative Agent) properly completed copies of Internal Revenue Service Form W-9, certifying that such Lender or Agent, as applicable, is entitled to an exemption from United States backup withholding tax, or any successor form.

Each Lender agrees that if any form or certification previously delivered by it expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so. Notwithstanding anything to the contrary herein, no Lender or Agent shall be required to deliver any form, certificate or other document pursuant to this Section 12.15 that such Lender or Agent is not legally able to deliver.

Section 12.16 GOVERNING LAW. THIS AGREEMENT AND EACH OTHER LOAN DOCUMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.

Section 12.17 Submission To Jurisdiction; Waivers. (a) Each Loan Party hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Bankruptcy Court and, if the Bankruptcy Court does not have (or abstains from) jurisdiction, to the non-exclusive general jurisdiction of any State or Federal court of competent jurisdiction sitting in New York County, New York;

(ii) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid at its address set forth in Section 12.02 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right of the Administrative Agent or the Lenders to sue in any other jurisdiction; and

(v) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

(b) Each of the Administrative Agent and each Lender hereby irrevocably and unconditionally (i) submits itself and its property in any legal action or proceeding arising as a result of a Debtor's enforcement of the provisions contained in Section 12.24, to the exclusive general jurisdiction of the Bankruptcy Court, (ii) consents to the actions referred to in Section 12.24 being brought in such court and waives any objection that it may have now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same, (iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party in care of the Administrative Agent at its address set forth in Section 12.02 or at such other address of which the Borrower shall have been notified pursuant thereto

and (iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

Section 12.18 WAIVER OF RIGHT TO TRIAL BY JURY. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 12.18 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 12.19 Binding Effect. This Agreement shall become effective when it shall have been executed by the Loan Parties and the Administrative Agent shall have been notified by each Lender that each such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Loan Parties, each Agent and each Lender and their respective permitted successors and assigns, except that no Loan Party shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders except, other than in the case of Holdings and the Borrower, as permitted by Section 7.04.

Section 12.20 Lender Action. Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party or any other obligor under any of the Loan Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Loan Party, without the prior written consent of the Administrative Agent. The provision of this Section 12.20 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Loan Party.

Section 12.21 USA PATRIOT Act. Each Lender hereby notifies the Loan Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Loan Parties, which information includes the name, address and tax identification numbers of the Loan Parties and other information that will allow such Lender to identify the Loan Parties in accordance with the Act.

Section 12.22 Acknowledgements. Each Loan Party hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to any Loan Party arising out of or in connection with this Agreement or any of the other Loan Documents or the Orders, and the relationship between Administrative Agent and Lenders, on one hand, and the Loan Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Loan Parties and the Lenders.

Section 12.23 Absence of Prejudice to the Prepetition Lenders With Respect to Matters Before the Bankruptcy Court. No Loan Party will without the express consent of the Administrative Agent (a) mention in any pleading or argument before the Bankruptcy Court in support of, or in any way relating to, a position that Bankruptcy Court authorization should be granted on the ground that such authorization is permitted by this Agreement (unless a Person opposing any such pleading or argument relies on this Agreement to assert or question the propriety of such) or (b) in any way attempt to support a position before the Bankruptcy Court based on the provisions of this Agreement. The fact that the Administrative Agent or any Lender may be party to the Prepetition Credit Agreement shall in no way prejudice its rights under, or in respect of, any of the Prepetition Credit Agreement or hereunder, and the Administrative Agent or any such Lender shall be free to bring, oppose or support any matter before the Bankruptcy Court no matter how treated in this Agreement.

Section 12.24 Specific Performance of Obligation to Convert into Exit Facility. It is understood and agreed by the parties that money damages would not be a sufficient remedy for any breach by the Administrative Agent or the Lenders of their obligations under Section 2.17 to convert the Facility into the Exit Facility upon satisfaction of the applicable conditions precedent and each non-breaching party shall be entitled to seek specific performance and injunctive or other equitable relief, including attorneys fees and costs, as a remedy of any such breach, and each party agrees to waive any requirement for the securing or posting of a bond in connection with such remedy.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

RDA HOLDING CO.

by

Name:
Title:

**THE READER'S DIGEST ASSOCIATION,
INC.**

by

Name:
Title:

[GUARANTORS]

by

Name:
Title:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent and a Lender

by

Name:

Title:

Exhibit 2

Blackline Pages Showing Changes

CREDIT AND GUARANTEE AGREEMENT

Dated as of ~~_____~~; August 26, 2009

among

RDA HOLDING CO.,
a Debtor and Debtor-in-Possession, as a Guarantor,

THE READER'S DIGEST ASSOCIATION, INC.,
a Debtor and Debtor-in-Possession, as Borrower,

THE OTHER GUARANTORS NAMED HEREIN,
each a Debtor and Debtor-in-Possession,

The Lenders Party Hereto

and

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

J.P. MORGAN SECURITIES INC.,
as Sole Lead Arranger and Sole Bookrunner,

and

GENERAL ELECTRIC CAPITAL CORPORATION,
as Senior Managing Agent

SCHEDULES

1.01	Designated Non-Debtors
2.01	Commitments
5.11(c)	Foreign Benefits Matters
5.12	Subsidiaries and Other Equity Investments
5.17	Collateral Matters
5.19	Material Contracts
7.01(b)(i)	Existing Liens of Non-Debtors
7.01(b)(i)(x)	Certain Non-Debtor Lien Matters
7.01(b)(ii)	Existing Liens of Debtors
<u>7.02(d)</u>	<u>Specified Investments</u>
7.02(g)	Existing Investments
7.03(b)	Existing Indebtedness
7.05(i)	Specified Dispositions
7.08	Transactions with Affiliates
7.09	Existing Restrictions
12.02	Administrative Agent's Office, Certain Addresses for Notices

EXHIBITS

Form of

A	Committed Loan Notice
B	Note
C	Compliance Certificate
D	Assignment and Assumption
E	Security Agreement
F	Opinion of Kirkland & Ellis LLP
G	Interim Order
H	U.S. Tax Compliance Certificate
I	Intercompany Note

ANNEX 1	Exit Term Sheet
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CREDIT AND GUARANTEE AGREEMENT

This CREDIT AND GUARANTEE AGREEMENT (“**Agreement**”) is entered into as of ~~_____~~, August 26, 2009, among RDA HOLDING CO., a Delaware corporation (“**Holdings**”), which is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, THE READER’S DIGEST ASSOCIATION, INC., a Delaware corporation (the “**Borrower**”), which is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code, each of the other direct and indirect Domestic Subsidiaries of the Borrower signatory hereto (such Subsidiaries, collectively with Holdings, the “**Guarantors**” and, collectively with the Borrower, the “**Debtors**” and each a “**Debtor**”), each of which Guarantors is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (the cases of the Debtors, each a “**Case**” and, collectively, the “**Cases**”), JPMORGAN CHASE BANK, N.A., as Administrative Agent and Syndication Agent, and each lender from time to time party hereto (collectively, the “**Lenders**” and each a “**Lender**”).

PRELIMINARY STATEMENTS

On ~~_____~~, August 24, 2009 (the “**Petition Date**”), the Debtors filed voluntary petitions with the Bankruptcy Court (such term and other capitalized terms used in these preliminary statements being used with the meanings given to such terms in Section 1.01) initiating the Cases and have continued in the possession of their assets and in the management of their businesses pursuant to Bankruptcy Code Sections 1107 and 1108.

Pursuant to this Agreement and the Orders, the Lenders are making available to the Borrower a \$150,000,000 debtor-in-possession term loan facility (the “**Facility**”).

The proceeds of the Loans will be used for working capital and other general corporate purposes of the Borrower, the other Loan Parties and their respective Subsidiaries (including without limitation, for the payment of fees and expenses incurred in connection with entering into this Agreement, the Cases and the transactions contemplated hereby and cash collateralization of letters of credit), in all cases subject to the terms of this Agreement and the Orders.

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

- (a) a guarantee from each of the Debtors other than the Borrower of the due and punctual payment and performance of the Obligations of the Borrower hereunder;
- (b) an allowed administrative expense claim entitled to the benefits of Bankruptcy Code Section 364(c)(1) in each of the Cases, having a superpriority over any and all administrative expenses of the kind specified in Bankruptcy Code Sections 503(b) or 507(b);
- (c) pursuant to Bankruptcy Code Section 364(c)(2) a perfected first priority (subject to permitted exceptions) Lien on all present and after-acquired property of the Debtors not subject to a valid, perfected and non-avoidable Lien on the Petition Date, excluding, in all cases, with respect to the obligations of Loan Parties under any Loan Document, (x) 35% of the issued and outstanding Equity Interests of any new or existing Foreign Subsidiary (and, for the avoidance of doubt, 100% of the issued and outstanding Equity Interests of any new or existing Foreign Subsidiary not owned directly by a Debtor) and (y) any Equity Interests of any Subsidiary substantially all of whose assets consist of Equity Interests

in one or more Foreign Subsidiaries (any Equity Interests so excluded, collectively, the “**Excluded Equity Interests**”);

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

(e) pursuant to Bankruptcy Code Section 364(d)(1) a perfected first priority (subject to permitted exceptions), senior priming Lien on (x) all present and after-acquired property of the Debtors that is subject to a Lien on or after the Petition Date to secure the Debtors’ Prepetition Obligations, excluding, in all cases, the Excluded Equity Interests, (y) all present and after-acquired assets that are presently subject to Liens that are junior to the Liens that secure the Debtors’ Prepetition Obligations, excluding, in all cases, any Excluded Equity Interests and (z) the Liens granted after the Petition Date to provide adequate protection in respect of the Prepetition Obligations.

Accordingly, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

“**Administrative Agent**” means JPMorgan Chase Bank, in its capacity as administrative agent under any of the Loan Documents, or any permitted successor administrative agent.

“**Administrative Agent’s Office**” means the Administrative Agent’s address and, as appropriate, account as set forth ~~on Schedule~~ in Section 12.02 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders in writing (including by electronic mail or by posting to Intralinks or other similar information transmission systems).

“**Administrative Questionnaire**” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“**Affiliate**” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“**Agent-Related Persons**” means the Agents, together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

“**Agents**” means, collectively, the Administrative Agent, the Syndication Agent and the Supplemental Administrative Agents (if any).

“**Aggregate Commitments**” means the Commitments of all the Lenders.

“**Agreement**” has the meaning specified in the introductory paragraph hereto.

“**Alternative Currency**” means Sterling, Euros, Canadian Dollars or Australian Dollars.

“**Applicable Rate**” means a percentage per annum equal to: (a) initially, (i) 9.0% with respect to Base Rate Loans and (ii) 10.0% with respect to Eurodollar Rate Loans and (b) from and after ~~January 26, 2010~~ May 26, 2010 (assuming the Twelve Month Facility Extension Option is exercised), (i) 10.0% with respect to Base Rate Loans and (ii) 11.0% with respect to Eurodollar Rate Loans.

“**Approved Bank**” has the meaning specified in clause (c) of the definition of “Cash Equivalents”.

“**Approved Fund**” means any Fund that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

“**Arranger**” means J.P. Morgan Securities Inc., in its capacity as Sole Lead Arranger and Sole Bookrunner under this Agreement.

“**Assignees**” has the meaning specified in Section 12.07(b).

“**Assignment and Assumption**” means an Assignment and Assumption substantially in the form of Exhibit D.

“**Attorney Costs**” means and includes all reasonable fees, expenses and disbursements of any law firm or other external legal counsel.

“**Attributable Indebtedness**” means, on any date, in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP.

“**Audited Financial Statements**” means the audited consolidated balance sheets of the Borrower and its consolidated Subsidiaries as of each of June 30, 2006, June 30, 2007 and June 30, 2008, and the related audited consolidated statements of income, stockholders’ equity and cash flows for the Borrower and its consolidated Subsidiaries for the periods ended on such dates.

“**Australian Dollars**” means the lawful currency of Australia.

“**Bankruptcy Code**” means the Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. §§101 et seq.

“**Bankruptcy Court**” means the United States Bankruptcy Court for the Southern District of New York, or any other court having jurisdiction over the Cases from time to time.

“**Base Rate**” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by JPMorgan Chase Bank as its “prime rate” and (c) the Eurodollar Rate for a Eurodollar Rate Loan denominated in Dollars with a one month Interest Period plus 1%. The “prime rate” is a rate set by JPMorgan Chase Bank based upon various factors including JPMorgan Chase Bank costs

and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by JPMorgan Chase Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“**Base Rate Loan**” means a Loan that bears interest based on the Base Rate.

~~“**Bankruptcy Code**” means the Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. §§101 et seq.~~

~~“**Bankruptcy Court**” means the United States Bankruptcy Court for the Southern District of New York, or any other court having jurisdiction over the Cases from time to time.~~

“**Board**” means the Board of Governors of the Federal Reserve System of the United States (or any successor).

“**Borrower**” has the meaning specified in the introductory paragraph to this Agreement.

“**Borrowing**” means a borrowing consisting of simultaneous Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by the Lenders pursuant to Section 2.01.

“**Budget**” means the consolidated forecasts of the consolidated income statement, balance sheet and cash flows of Holdings and its Subsidiaries for each fiscal month of fiscal year 2010 starting from September thereof and each fiscal quarter of fiscal year 2011, including the material assumptions on which such forecasts were based (including, but not limited to, future cost reduction initiatives), and setting forth the anticipated disbursements and uses of the Loans.

“**Business Day**” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located or in The City of New York; *provided*, that when used in connection with a Eurodollar Rate Loan, the term “Business Day” shall also exclude any day on which banks are not open for dealings in deposits in Dollars in the London interbank market.

“**Canadian Dollars**” means the lawful currency of Canada.

“**Capital Expenditures**” means, for any period, with respect to any Person, the aggregate of all expenditures by such Person and its Subsidiaries for the acquisition or leasing (pursuant to a capital lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that are required to be capitalized under GAAP on a consolidated balance sheet of such Person and its Subsidiaries, but excluding (i) such expenditures that are made with all or any portion of any Net Cash Proceeds which are reinvested, (ii) capitalized interest and (iii) such expenditures for which such Person is reimbursed in cash by a third party (other than any Group Member).

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

“**Laws**” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities.

“**L/C Cash Collateral**” means the cash collateral pledged in support of the Prepetition Letters of Credit and other letters of credit pursuant to Section 7.01(u).

“**Lender**” has the meaning specified in the introductory paragraph to this Agreement.

“**Lending Office**” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“**Lien**” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or preferential arrangement intended to create a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Capital Lease Obligation having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, “Lien” shall not include any license or sublicense of Intellectual Property, provided that such license or sublicense is not intended to create a security interest of any kind or nature whatsoever.

“**Liquidity**” means, on any date of determination, the sum, without duplication, of (i) the cash and Cash Equivalents which are not subject to any Liens (other than ~~(a) Liens in favor of the Administrative Agent, for the benefit of the Lenders, (b) Liens in favor of the Prepetition Agent, for the benefit of the Prepetition Secured Parties (including in respect of adequate protection granted pursuant to the Orders), (c) Liens permitted pursuant to Section 7.01(l) and (d) inchoate Liens operating by operation of law, which are not subject to enforcement actions~~ ~~a), (b), (c), (d), (e), (f), (l) or (u)~~) held by the Borrower and its Subsidiaries on such date plus (ii) the Aggregate Commitments on such date (provided that such amount shall be deemed to be zero if a Default has occurred and is continuing on such date) plus (iii) the aggregate amount which is available to be drawn under any loan agreements or other lines of credit of the Borrower and its Subsidiaries on such date (for the avoidance of doubt, after giving effect to any limitation on borrowing thereunder, including but not limited to the absence of default or other non-compliance with covenants).

“**Loans**” has the meaning specified in Section 2.01.

“**Loan Documents**” means, collectively, (i) this Agreement, (ii) the Notes and (iii) the Collateral Documents.

“**Loan Parties**” means, collectively, the Borrower and each Guarantor.

“**Master Agreement**” has the meaning specified in the definition of “Swap Contract.”

“**Material Adverse Effect**” means any event, development or circumstance that, individually or in the aggregate, has had or could reasonably be expected to have a material adverse effect on (a) the business, property, operations or financial condition of Holdings and its Subsidiaries, taken as a whole (other than (i) any events leading up to the filing of the Cases disclosed to the Lenders, (ii) the filing of the Cases and (iii) those events which customarily occur following the commencement of a proceeding under Chapter 11 of the Bankruptcy Code and other events ancillary thereto), or (b) the validity or

enforceability of this Agreement or any of the other Loan Documents or the rights and remedies of the Administrative Agent and the Lenders hereunder or thereunder.

“**Material Real Property**” means, on any date, any real property owned by any Loan Party with a fair market value as of such date in excess of \$2,500,000; *provided*, that the property at 5400 South 60th Street, Greendale, Wisconsin, owned by Reiman Media Group, Inc., shall not be deemed to be a Material Real Property.

“**Maturity Date**” means ~~_____~~; May 26, 2010; *provided*, that upon the effectiveness of the Twelve Month Facility Extension Option, the Maturity Date shall be ~~_____~~; August 26, 2010.

“**Maximum Rate**” has the meaning specified in Section 12.10.

“**Moelis**” means Moelis & Company LLC, and any successor thereto.

“**Moody’s**” means Moody’s Investors Service, Inc. and any successor thereto.

“**Mortgage**” means, collectively, the deeds of trust, trust deeds, hypothecs and mortgages made by the Loan Parties in favor or for the benefit of the Administrative Agent on behalf of the Lenders in a form reasonably satisfactory to the Administrative Agent, and any other mortgages executed and delivered pursuant to Section 6.11.

“**Mortgaged Properties**” has the meaning specified in paragraph (g) of the definition of Collateral and Guarantee Requirement.

“**Multiemployer Plan**” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“**Net Cash Proceeds**” means:

(a) with respect to the Disposition of any asset by Holdings, the Borrower or any Subsidiary or any Casualty Event, an amount equal to (i) the sum of cash and Cash Equivalents received in connection with such Disposition or Casualty Event (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received and, with respect to any Casualty Event, any insurance proceeds or condemnation awards in respect of such Casualty Event actually received by or paid to or for the account of Holdings, the Borrower or any Subsidiary) less (ii) the sum of (A) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness that is secured by a Lien expressly permitted hereunder (and not junior to the Liens securing the Obligations) on the asset subject to such Disposition or Casualty Event and that is required to be repaid (and is repaid) in connection with such Disposition or Casualty Event (other than Indebtedness under the Loan Documents and other than to the extent the holders of such Indebtedness are required to turnover any such proceeds to any or all of the Lenders), (B) the out-of-pocket expenses (including attorneys’ fees, investment banking fees, accounting fees and other professional and transactional fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary commissions and fees) actually incurred by Holdings, the Borrower or such Subsidiary in connection with such Disposition or Casualty Event, (C) taxes paid or reasonably estimated to be actually payable in connection therewith and (D) any reserve for adjustment in accordance with GAAP in respect of (x) the sale price of such asset or assets and (y)

purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered, without further interest thereon. The Borrower agrees that any Lender so purchasing a participation from another Lender may, to the fullest extent permitted by applicable Law, exercise all its rights of payment (including the right of setoff, but subject to Section 12.09) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. The Administrative Agent will keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased under this Section 2.11 and will in each case notify the Lenders following any such purchases or repayments. Each Lender that purchases a participation pursuant to this Section 2.11 shall from and after such purchase have the right to give all notices, requests, demands, directions and other communications under this Agreement with respect to the portion of the Obligations purchased to the same extent as though the purchasing Lender were the original owner of the Obligations purchased.

Section 2.12 Priority and Liens. (a) The Debtors hereby covenant, represent and warrant that, upon entry of the Interim Order (and the Final Order, as applicable), the Obligations of the Debtors hereunder and under the other Loan Documents, and the obligations of the Debtors pursuant to Article X, (i) pursuant to Section 364(c)(1) of the Bankruptcy Code, shall at all times constitute allowed Superpriority Claims, (ii) pursuant to Section 364(c)(2) of the Bankruptcy Code, shall be secured by a perfected first priority Lien on all Collateral that is otherwise not encumbered by a valid, perfected and non-avoidable Lien as of the Petition Date or a valid Lien perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code, excluding claims and causes of action under Sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code (it being understood that, notwithstanding such exclusion, upon entry of the Final Order, to the extent approved by the Bankruptcy Court, such Lien shall attach to any proceeds thereof), (iii) pursuant to Section 364(c)(3) of the Bankruptcy Code, shall be secured by a perfected junior Lien upon all Collateral that is subject to (A) valid, perfected and non-avoidable Liens (other than to secure the Debtors' Prepetition Obligations) in existence on the Petition Date or valid Liens perfected (but not granted) thereafter to the extent such post-Petition Date perfection in respect of a pre-Petition Date claim is expressly permitted under the Bankruptcy Code and (B) other than as provided in clause (iv) below, post-Petition Date Liens permitted hereunder, and (iv) pursuant to Section 364(d)(1) of the Bankruptcy Code, shall be secured by a perfected first priority senior priming Lien upon all Collateral (x) that is subject to a valid Lien or security interest in effect on the Petition Date to secure the Debtors' Prepetition Obligations, (y) that is subject to a Lien granted after the Petition Date to provide adequate protection in respect of the Debtors' Prepetition Obligations or (z) that is subject to a valid Lien in effect on the Petition Date that is junior to the Liens that secure the Debtors' Prepetition Obligations, subject and subordinate in each case with respect to subclauses (i) through (iv) above, only to the Carve Out. For purposes hereof, the "**Carve Out**" shall mean the sum of (A) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code and (B) the payment of accrued and unpaid professional fees and expenses (collectively, the "**Professional Fees**") incurred by lawyers or firms (collectively, the "**Professional Persons**") retained by the Debtors and any statutory committee appointed in the Cases (each a "**Committee**") and allowed by the Bankruptcy Court at any time after the first Business Day following the occurrence of an Event of Default and delivery of a written notice by the Administrative Agent (an "**Event of Default Notice**") to the Debtors and the Committee, in an aggregate amount not exceeding \$10,000,000 (plus all unpaid professional fees and expenses of Professional Persons allowed by the Bankruptcy Court at any time that were incurred prior to delivery of an Event of Default Notice); provided, that the Carve Out shall be inclusive of any expenses incurred by any Chapter 7 trustee, such expenses not to exceed \$100,000 in the aggregate; provided, further, that (x) the Carve Out shall not be available to pay any such Professional Fees and expenses incurred in connection with the initiation or prosecution of any Prohibited Claims or the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the

Section 2.13 Payment of Obligations. Upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents, the Lenders shall be entitled to immediate payment of such Obligations in full (in cash or pursuant to Section 2.17) without further application to or order of the Bankruptcy Court.

Section 2.14 No Discharge; Survival of Claims. Each Debtor agrees that to the extent its Obligations hereunder are not satisfied in full in cash (except as provided in Section 2.17), (a) its Obligations arising hereunder shall not be discharged by the entry of a Confirmation Order (and each Debtor, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (b) the Superpriority Claim granted to the Administrative Agent and the Lenders pursuant to the Orders and described in Section 2.12 and the Liens granted to the Administrative Agent pursuant to the Orders and described in Section 2.12 shall not be affected in any manner by the entry of a Confirmation Order.

Section 2.15 Conflicts. To the extent of any conflict between the provisions of this Agreement and provisions contained in the Interim Order (or the Final Order, as applicable), the provisions of the applicable Order shall govern.

Section 2.16 Twelve Month Facility Extension Option. The Borrower may extend the Maturity Date to ~~_____~~; August 26, 2010 (the “**Twelve Month Facility Extension Option**”) subject to, and the Maturity Date shall be so extended upon satisfaction of, the following conditions precedent:

- (i) the Borrower shall provide written notice to the Administrative Agent at least thirty (30) days and no more than forty-five (45) days prior to ~~_____~~; May 26, 2010 of its intention to exercise the Twelve Month Facility Extension Option;
- (ii) the Borrower shall pay a fee to the Administrative Agent on or before the initial Maturity Date for the account of the Lenders equal to 1.0% of the outstanding principal balance of the Loans as of the initial Maturity Date;
- (iii) the Loan Parties shall have filed with the Bankruptcy Court a plan of reorganization substantially consistent with the Restructuring Support Agreement and otherwise in form and substance reasonably acceptable to the Required Lenders;
- (iv) as of the initial Maturity Date, Liquidity shall be at least \$85,000,000;
- (v) no Default or Event of Default shall have occurred and be continuing as of the initial Maturity Date; and
- (vi) the representations and warranties of the Borrower and each other Loan Party contained in Article V or any other Loan Document shall be true and correct in all material respects on and as of the initial Maturity Date; *provided* that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided, further* that, any representation and warranty that is qualified as to “materiality.” “Material Adverse Effect” or similar language shall be true and correct in all respects on such respective dates.

The Administrative Agent will notify the Borrower and the Lenders upon the effectiveness of the Twelve Month Facility Extension Option.

(l) promptly, subject to applicable confidentiality requirements of Group Members, such additional financial or other information as the Administrative Agent or any Lender through the Administrative Agent may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a) or (b) or Section 6.02(e) or (f) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto on the Borrower's website on the Internet at the website address listed ~~on Schedule~~ in Section 12.02; (ii) on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); or (iii) such documents are publicly available on the SEC's website pursuant to the SEC's EDGAR system; provided that: (i) upon written request by the Administrative Agent, the Borrower shall deliver paper copies of such documents to the Administrative Agent for further distribution to each Lender until a written request to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(b) to the Administrative Agent. Each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such documents from the Administrative Agent and maintaining its copies of such documents.

Section 6.03 Update Calls. As and when requested by the Administrative Agent (but no more frequently than once per month) at such times as the Borrower and the Administrative Agent shall agree, the Borrower shall host a conference call (with a question and answer period) with the chief financial officer of the Borrower and such other members of senior management of the Borrower as the Borrower deems appropriate and the Administrative Agent and the Lenders and their respective representatives and advisors to discuss the performance of the business, strategic alternatives and other issues as the Administrative Agent may reasonably request.

Section 6.04 Notices. Promptly (but in any event within five Business Days) after any Responsible Officer of a Loan Party obtains knowledge thereof, notify the Administrative Agent (for prompt notification to each Lender):

- (a) of the occurrence of any Default or Event of Default; and
- (b) of any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section shall be accompanied by a written statement of a Responsible Officer of the Borrower (x) that such notice is being delivered pursuant to Section 6.04(a) or (b) (as applicable) and (y) setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto.

Section 6.05 Payment of Obligations. i) In the case of any Debtor, except in accordance with the Bankruptcy Code or by an applicable order of the Bankruptcy Court, pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, (i) all its post-petition material taxes and other material obligations of whatever nature that constitute administrative expenses under Section 503(b) of the Bankruptcy Code in the Cases, except, so long as no material property (other than money for such obligation and the interest or penalty accruing thereon (or property with a value not in excess of such amounts)) of any Loan Party is in danger of being lost or forfeited as a result thereof, no

Section 6.13 Use of Proceeds. Use the proceeds of the Loans only for working capital and other general corporate purposes (including, without limitation, “Chapter 11 expenses” (or “administrative Costs reflecting Chapter 11 expenses”) and the cash collateralization of letters of credit permitted by Section 7.01(u)) and the payment of fees and expenses incurred in connection with entering into this Agreement and the transactions contemplated hereby; *provided*, that the proceeds of Loans may not be used in connection with the investigation (including discovery proceedings), initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Lenders, the Administrative Agent or any parties to the Prepetition Loan Documents.

Section 6.14 Deposit Accounts. Except as set forth in Section 6.16, maintain at all times all of the cash and Cash Equivalents of the Loan Parties (other than cash and Cash Equivalents not exceeding \$5,000,000 in the aggregate) at an account or accounts i) with the Administrative Agent or any other financial institution that has entered into a control agreement with respect to such account(s) in form and substance reasonably satisfactory to the Administrative Agent or i) at an account the entire balance of which is swept at least once every three (3) Business Days to an account described in clause (a) above.

Section 6.15 Ratings. Use commercially reasonable efforts to obtain, on or prior to the Final Order Entry Date, ratings on the Facility from S&P and Moody’s.

Section 6.16 Post-Closing Covenants. (a) Deliver account control agreements required by Section 6.14 as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by an additional 30 days by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof;

(a) deliver the evidence of insurance and related certificates and endorsements required by Section 4.01(a)(vi) as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by an additional 30 days by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof; and

(b) deliver the Intellectual Property filings required by clause (d) of the definition of Collateral and Guarantee Requirement as soon as practicable but in any event within 30 days after the Closing Date, as such compliance period may be extended by an additional 30 days by the Administrative Agent in the exercise of its reasonable discretion if the Loan Parties are diligently pursuing delivery thereof.

ARTICLE VII

NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder which is accrued and payable shall remain unpaid or unsatisfied, each Loan Party shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

Section 7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Liens created pursuant to any Loan Document and/or the Orders;

(b) ~~(i)-Liens of any Non-Debtor~~ existing on the Petition Date and listed on Schedule 7.01(b)(i) and any modifications, replacements, renewals or extensions thereof; *provided* that (x) except as otherwise specified on Schedule 7.01(b)(i)(x), the amount of Indebtedness secured thereby is not increased (except as a result of changes in the Exchange Rate) and (y) such Liens do not at any time extend to or cover any

assets other than the assets subject to such Liens on the Petition Date except as otherwise specified on Schedule 7.01(b)(i)(x), and (ii) ~~Liens of any Debtor existing on the Petition Date and listed on Schedule 7.01(b)(ix)~~;

(c) Liens for taxes, assessments or governmental charges which are not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if reserves with respect thereto are maintained on the books of the applicable Person to the extent required by and in accordance with GAAP;

(d) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, workmen, suppliers, construction contractors or other like Liens arising in the ordinary course of business which secure amounts not overdue for a period of more than thirty (30) days or which are being contested in good faith and by appropriate proceedings diligently conducted, if reserves with respect thereto are maintained on the books of the applicable Person to the extent required by and in accordance with GAAP;

(e) (1) Liens, pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation and (ii) Liens, pledges and deposits in the ordinary course of business securing liability for premiums or reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings, the Borrower or any Subsidiary;

(f) Liens or deposits (including deposits made to satisfy statutory or other legal obligations in connection with sweepstakes or similar contests and Liens in favor of postal authorities) to secure the performance of bids, trade contracts, governmental contracts, tenders, statutory bonds and leases (other than Indebtedness for borrowed money and Capitalized Lease Obligations), statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations) incurred in the ordinary course of business;

(g) easements, rights-of-way, restrictions (including zoning restrictions), covenants, licenses, encroachments, protrusions and other similar encumbrances and minor title defects affecting real property which, in the aggregate, do not in any case materially interfere with the ordinary conduct of the business of the Borrower or any Subsidiary or materially detract from the value of the property subject thereto;

(h) Liens securing judgments, decrees, attachments or awards for the payment of money not constituting an Event of Default under Section 8.01(h);

(i) Liens securing Indebtedness permitted under Section 7.03(e) or 7.03(p); *provided* that (i) such Liens attach concurrently with or within thirty (30) days after the acquisition, repair, replacement, construction or improvement (as applicable) of the property subject to such Liens, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, (iii) with respect to Capitalized Lease Obligations, such Liens do not at any time extend to or cover any assets other than the assets subject to such Capitalized Lease Obligations and (iv) the amount of Indebtedness secured thereby is not increased (except as a result of changes in the Exchange Rate);

(j) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business which do not (i) interfere in any material respect with the business of the Borrower or any Subsidiary or (ii) secure any Indebtedness;

\$10,000,000 in the aggregate or to permit other actions that could reasonably be expected to have a Material Adverse Effect on the Loan Parties or their estates; or

(o) *Failure to Comply with Orders.* Any Loan Party or any Subsidiary thereof shall fail to comply with the Interim Order or the Final Order; or

(p) *Supportive Actions.* The filing of any pleading by any Loan Party seeking, or otherwise consenting to, any of the matters set forth in paragraphs (k), (l), (m), (n) or (o) above in this Section; or

(q) *Certain Milestones.* The Debtors shall have failed to comply with any of the following: (i) file with the Bankruptcy Court a Conforming Plan and related disclosure statement for each of the Cases by the date that is 75 days after the Petition Date; (ii) obtain an order of the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lenders, approving such disclosure statement, by the date that is 115 days after the Petition Date; (iii) obtain an order of the Bankruptcy Court, in form and substance reasonably satisfactory to the Required Lenders, confirming such Conforming Plan, by (A) to the extent the Twelve Month Facility Extension Option has not been exercised, the date that is 80 days following entry of the order referred to in clause (ii) above or (B) to the extent the Twelve Month Facility Extension Option has been exercised, the date that is 120 days following entry of the order referred to in clause (ii) above; and (iv) consummate such Conforming Plan by the date that is 30 days after the entry of the order confirming such Conforming Plan; or

(r) *Collateral Relief.* Any proceeding shall be commenced by any Loan Party seeking, or otherwise consenting to, (i) the invalidation, subordination or other challenging of the Superpriority Claims and Liens granted to secure the Obligations or (ii) any relief under Section 506(c) of the Bankruptcy Code with respect to any Collateral; or

(s) *Invalid Plan.* Any Debtor files a plan of reorganization that does not provide for the termination of the Commitments and payment in full in cash of the Obligations (except as provided in Section 2.17) on the Effective Date or on terms and conditions otherwise reasonably acceptable to the Administrative Agent and the Required Lenders; or

(t) *Invalidity of Liens.* The Orders or any of the Collateral Documents shall cease, for any reason, to be in full force and effect, or any Loan Party or any Affiliate of any Loan Party shall so assert, or any Liens or Superpriority Claims created by the Orders or any Collateral Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby other than by reason of the release thereof in accordance with the terms thereof; or

(u) *Invalidity of Guarantees.* The Guarantees contained in the Orders or in this Agreement shall cease, for any reason, to be in full force and effect or any Loan Party or the Sponsors or any of their Affiliates shall so assert in writing.

Section 8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent may, and, at the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower (with a copy to the Prepetition Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee), take one or more of the following actions, at the same or different times (*provided* that with respect to clause (iii) below and the enforcement of Liens or other remedies with respect to the Collateral under clause (iv) below, the Administrative Agent shall provide the Borrower (with a copy to the Prepetition Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee) with ~~five~~seven Business Days' written notice prior to taking the action contemplated thereby; *provided, further*, that upon receipt of the notice referred to in the immediately preceding clause, the Borrower may continue to make ordinary course and Carve Out

defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of such Guarantor under the guarantee contained in this Article X, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Borrower, any other Guarantor, or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor, or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor, or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of legal proceedings relating to this guarantee or the Obligations.

Section 10.06 Reinstatement. The guarantee contained in this Article X shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Loan Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

Section 10.07 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in the applicable currency at the Administrative Agent's Office.

ARTICLE XI

REMEDIES; APPLICATION OF PROCEEDS

Section 11.01 Remedies; Obtaining the Collateral Upon Default. Upon the occurrence and during the continuance of an Event of Default and with not fewer than ~~5 days~~ seven Business Days prior written notice by the Administrative Agent (or such longer time as may be required pursuant to the Orders), to the extent any such action is not inconsistent with the Interim Order (or the Final Order, as applicable) or Article VIII, the Administrative Agent, in addition to any rights now or hereafter existing under applicable law, and without application to or order of the Bankruptcy Court, shall have all rights as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(a) personally, or by agents or attorneys, immediately retake possession of the Collateral or any part thereof, from the Borrower, any Guarantor, or any other Person who then has possession of any part thereof with or without notice or process of law (but subject to any Requirements of Law), and for that purpose may enter upon the Borrower's, or any Guarantor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Borrower, or such Guarantor;

(b) instruct the obligor or obligors on any agreements, instrument or other obligation constituting the Collateral to make any payment required by the terms of such instrument or agreement directly to any Cash Collateral account;

(c) sell, assign or otherwise liquidate, or direct any Loan Party to sell, assign or otherwise liquidate, any or all of the Collateral or any part thereof in accordance with Section 11.02, and take possession of the proceeds of any such sale, assignment or liquidation; and

(d) take possession of the Collateral or any part thereof, by directing the Borrower and any Guarantor in writing to deliver the same to the Administrative Agent at any place or places designated by the Administrative Agent, in which event the Borrower and such Guarantor shall at its own expense:

(i) forthwith cause the same to be moved to the place or places so designated by the Administrative Agent and there delivered to the Administrative Agent,

(ii) store and keep any Collateral so delivered to the Administrative Agent at such place or places pending further action by the Administrative Agent as provided in Section 11.02, and

(iii) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

it being understood that the Borrower's and each Guarantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to the Bankruptcy Court, the Administrative Agent shall be entitled to a decree requiring specific performance by the Borrower or such Guarantor of such obligation.

Section 11.02 Remedies; Disposition of the Collateral. Upon the occurrence and during the continuance of an Event of Default (and following not fewer than ~~5 days~~seven Business Days prior written notice by the Administrative Agent (or such longer time as may be required pursuant to the Orders)), and to the extent not inconsistent with the Interim Order (or the Final Order, as applicable) or Article VIII, without application to or order of the Bankruptcy Court, any Collateral repossessed by the Administrative Agent under or pursuant to Section 11.01 or the Interim Order (or the Final Order, as applicable) or otherwise, and any other Collateral whether or not so repossessed by the Administrative Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on commercially reasonable terms, in compliance with any Requirements of Law. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Administrative Agent or after any overhaul or repair which the Administrative Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceeding permitted by applicable Requirements of Law shall be made upon not less than ten (10) days' written notice to the Borrower specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the ten (10) days after the giving of such notice, to the right of the Borrower or any nominee of the Borrower to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by applicable Requirements of Law shall be made upon not less than ten (10) days' written notice to the Borrower specifying the time and place of such sale and, in the absence of applicable Requirement of Law, shall be by public auction (which may, at the Administrative Agent's option, be subject to reserve), after publication of notice of such auction not less than ten (10) days prior thereto in USA Today and The Wall

Facsimile number: 914-244-5904
Electronic mail address: william.magill@rd.com
[Website address: www.rd.com](http://www.rd.com)

With copies to (which shall not constitute a notice hereunder):

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Attention: Leonard Klingbaum
Telephone number: 212-446-4792
Facsimile number: 212-446-6460
Electronic mail address: leonard.klingbaum@kirkland.com

The Administrative Agent:

JPMorgan Chase Bank, N.A.
277 Park Avenue, 8th Floor
New York, NY 10172
Attention: Elizabeth A. Kelley
Telephone number: 212-622-4511
Facsimile number: 212-622-4557
Electronic mail address: elizabeth.kelley@jpmorgan.com

With a copy to:

JPMorgan Chase Loan & Agency Services
1111 Fannin, Floor 10
Houston, TX 77002
Attention: Maryann T. Bui
Telephone number: 713-750-7932
Facsimile number: 713-750-2878
Electronic mail address: maryann.t.bui@jpmchase.com

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its Administrative Questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Borrower and the Administrative Agent.

All such notices and other communications shall be deemed to be given or made, if given or made during the recipient's normal business hours (and if not, shall be deemed to be given or made on the next succeeding Business Day), upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four (4) Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of Section 12.02(d)), when delivered; *provided* that notices and other communications to the Administrative Agent pursuant to Article II shall not be effective until actually received by the Administrative Agent. In no event shall a voice mail message be effective as a notice, communication or confirmation hereunder.

(b) *Effectiveness of Facsimile Documents and Signatures.* Loan Documents may be transmitted and/or signed by facsimile or "PDF" (subject to Section 12.02(d)). The effectiveness of any