

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

PMGI Holdings Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 13-12404 (CSS)

(Jointly Administered)

Ref. Docket Nos. 3, 4, 45

FINAL ORDER PURSUANT TO 11 U.S.C §§ 361, 362, 363 AND 507
(I) AUTHORIZING THE USE OF CASH COLLATERAL AND (II) GRANTING
ADEQUATE PROTECTION

Upon the motion (the “**Motion**”)² of the above-captioned debtors and debtors in possession (each a “**Debtor**” and collectively, the “**Debtors**”), seeking entry of an order pursuant to sections 361, 362, 363, and 507 of title 11 of the United States Code (as amended, the “**Bankruptcy Code**”) (i) authorizing use of Cash Collateral on an interim basis effective as of the Petition Date through the time of the hearing on the Motion on a final basis; (ii) granting the Debtors authority to provide interim and final adequate protection and determining such adequate protection to be adequate under the circumstances of these cases; and (iii) scheduling a final hearing (the “**Final Hearing**”) to consider entry of a final order (this “**Final Order**”)

¹ The Debtors in these chapter 11 cases, along with the last four (4) digits of each Debtor's federal tax identification number, are: Blue Hen Group Inc. (9667), Argus Payments Inc. (4661), Big Island Technology Group, Inc. (9795), Confirm ID, Inc. (7020), Danni Ashe, Inc. (5271), Fastcupid, Inc. (7869), Fierce Wombat Games Inc. (2019), FriendFinder California Inc. (2750), FriendFinder Networks Inc. (0988), FRIENDFINDER VENTURES INC. (3125), FRNK Technology Group (7102), General Media Art Holding, Inc. (2637), General Media Communications, Inc. (2237), General Media Entertainment, Inc. (2960), Global Alphabet, Inc. (7649), GMCI Internet Operations, Inc. (7655), GMI On-Line Ventures, Ltd. (7656), Interactive Network, Inc. (5941), Magnolia Blossom Inc. (8925), Medley.com Incorporated (3594), NAFTA NEWS CORPORATION (4385), Penthouse Digital Media Productions Inc. (1056), Penthouse Images Acquisitions, Ltd. (9228), PerfectMatch Inc. (9020), Playtime Gaming Inc. (4371), PMGI Holdings Inc. (2663), PPM Technology Group, Inc. (9876), Pure Entertainment Telecommunications, Inc. (9626), Sharkfish, Inc. (1221), Snapshot Productions, LLC (7091), Streamray Inc. (2716), Streamray Studios Inc. (1009), Tan Door Media Inc. (1100), Traffic Cat, Inc. (1223), Transbloom, Inc. (1168), Various, Inc. (7762), Video Bliss, Inc. (6760), West Coast Facilities Inc. (4751), XVHUB Group Inc. (9401). The Debtors' business address is 6800 Broken Sound Parkway NW, Suite 200, Boca Raton, FL 33487.

² Capitalized terms used but not otherwise defined herein shall have the meanings as set forth in the Motion.

authorizing the Debtors' use of the Cash Collateral; and due and sufficient notice of the Motion and the hearing on the Motion having been given; and an interim hearing on the Motion having been held before this Court on September 18, 2013, and the Court having, on September 18, 2013, entered an order authorizing the Debtors' use of cash collateral on an interim basis (Docket No. 45) (the "**Interim Order**"); and a final hearing on the Motion having been set pursuant to the Interim Order and held before this Court on October 11, 2013; and upon consideration of the entire record made by the Debtors at such hearings, and this Court having found good and sufficient cause appearing therefor,

THIS COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:³

A. **Commencement of Cases.** On September 17, 2013 (the "**Petition Date**"), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are in possession of their properties and continuing to operate their businesses as debtors and debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. No official committee of unsecured creditors (the "**Creditors Committee**") has been appointed in these chapter 11 cases.

B. **Jurisdiction and Venue.** This Court has jurisdiction over the chapter 11 cases and the Motion pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The predicates for the relief sought herein are sections 105, 361, 362, and 363 of the Bankruptcy Code and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure. Venue of the chapter 11 cases in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. **Adequate Notice.** On September 17, 2013, the Debtors filed the Motion with this

³ Pursuant to Bankruptcy Rule 7052, any findings of fact contained herein ~~that~~ may be treated as conclusions of law as if set forth below and vice versa.

Court and pursuant to Bankruptcy Rules 2002, 4001 and 9014, and the Local Rules, the Debtors provided notice of the Motion, the interim hearing and the final hearing by electronic mail, facsimile, hand delivery or overnight delivery to the following parties and/or to their counsel as indicated below: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the First Lien Trustee and Collateral Agent, (c) counsel to the Second Lien Trustees and Collateral Agents, (d) counsel to each of the Milbank Client and the Jones Day Non-Cash Pay Second Lien Group, (e) counsel to the holders of the Cash Pay Second Lien Notes, (f) creditors holding the thirty (30) largest unsecured claims as set forth in the consolidated list filed with the Debtors' petitions; (g) those parties requesting notice pursuant to Rule 2002; (h) the Office of the United States Attorney General for the District of Delaware; (i) the Internal Revenue Service; and (j) the Securities and Exchange Commission (collectively, the "Notice Parties").

D. **Cash Collateral Defined.** For purposes of this Final Order, the term "**Cash Collateral**" shall mean and include all "cash collateral" as defined by section 363(a) of the Bankruptcy Code and shall include and consist of, without limitation, all of the respective cash proceeds of the Post-Petition Collateral and Prepetition Collateral.

E. **Prepetition Secured Obligations.**

The Debtors represent that:

(i) Pursuant to that certain Indenture, dated as of October 27, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "**First Lien Indenture**"), and together with all agreements, guarantees, documents, notes and instruments in respect therefore (as amended, the "**Existing First Lien Credit Documents**"), by and among the Debtors and U.S. Bank National Association, a national banking association, as trustee and

collateral agent (the “**First Lien Trustee and Collateral Agent**”), the Debtors are obligated to the First Lien Trustee and Collateral Agent and the holders of the Existing First Lien Notes (collectively, the “**Existing First Lien Noteholders**”). The Debtors’ obligations in respect of the Existing First Lien Credit Documents (collectively, the “**Prepetition First Priority Obligations**”) are secured by liens against and security interests (the “**Prepetition First Priority Liens**”) in substantially all of the assets of the Debtors (the “**Prepetition First Priority Collateral**”), which liens were granted pursuant to certain Security Documents (as defined in the First Lien Indenture) including, but not limited to, the Security and Pledge Agreement, dated as of October 27, 2010, by and between the Debtors and the First Lien Trustee and Collateral Agent, the Copyright Security Assignment, dated as of October 27, 2010, executed and delivered by the Debtors to the First Lien Trustee and Collateral Agent, the Trademark Security Agreement, dated as of October 27, 2010, executed and delivered by the Debtors to the First Lien Trustee and Collateral Agent and certain account control agreements in favor of the First Lien Trustee and Collateral Agent (as amended, collectively, the “**Existing First Lien Security Documents**”). Where applicable, the Existing First Lien Noteholders and the First Lien Trustee and Collateral Agent are collectively referred to as the “**Senior Secured Parties**”.

(ii) Pursuant to that certain Indenture, dated as of October 27, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the “**Non-Cash Pay Second Lien Indenture**”) and together with all agreements, documents, notes and instruments in respect therefore (as amended, the “**Non-Cash Pay Credit Documents**”), by and among the Debtors and Wilmington Trust, National Association, a national banking association (as successor to U.S. Bank National Association) as trustee and collateral agent (the “**Non-Cash Pay Trustee and Collateral Agent**”), the Debtors are obligated to the Non-Cash Pay Trustee

and Collateral Agent and the holders of the Non-Cash Pay Second Lien Notes (the “**Non-Cash Pay Noteholders**”). The Debtors’ obligations in respect of the Non-Cash Pay Credit Documents (collectively, the “**Non-Cash Pay Second Priority Obligations**”) are secured by liens against and security interests (the “**Non-Cash Pay Second Priority Liens**”) in substantially all of the assets of the Debtors (the “**Non-Cash Pay Second Priority Collateral**”), which liens were granted pursuant to the Security Documents (as defined in the Non-Cash Pay Second Lien Indenture) including, but not limited to, the Security and Pledge Agreement, dated as of October 27, 2010, by and between the Debtors and the Non-Cash Pay Trustee and Collateral Agent, the Copyright Security Assignment, dated as of October 27, 2010, executed and delivered by the Debtors to the First Lien Trustee and Collateral Agent, the Trademark Security Agreement dated as of, October 27, 2010, executed and delivered by the Debtors to the Non-Cash Pay Trustee and Collateral Agent and certain account control agreements in favor of the Non-Cash Pay Trustee and Collateral Agent (as amended, collectively, the “**Non-Cash Pay Security Documents**”). Where applicable, the Non-Cash Pay Noteholders and the Non-Cash Pay Trustee and Collateral Agent are collectively referred to as the “**Non-Cash Pay Secured Parties**”.

(iii) Pursuant to the Cash Pay Second Lien Indenture, dated as of October 27, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the “**Cash Pay Second Lien Indenture**”) and together with all agreements, documents, notes and instruments in respect therefore (as amended, the “**Cash Pay Credit Documents**”), by and among the Debtors and Computershare Trust Company, N.A., a national banking association (as successor to U.S. Bank National Association) (the “**Cash Pay Trustee and Collateral Agent**”, and, collectively with the First Lien Trustee and Collateral Agent and the Non-Cash Pay Trustee and Collateral Agent, the “**Trustees and Collateral Agents**”), the Debtors are obligated to the

Cash Pay Trustee and Collateral Agent and the holders of the Cash Pay Second Lien Notes (the **"Cash Pay Noteholders"**). The Debtors' obligations in respect of the Cash Pay Credit Documents (collectively referred to as the **"Cash Pay Second Priority Obligations"**) are secured by liens against and security interests (the **"Cash Pay Second Priority Liens"**) in substantially all of the assets of the Debtors (the **"Cash Pay Second Priority Collateral"**), which liens were granted pursuant to the Security Documents (as defined in the Cash Pay Second Lien Indenture) including, but not limited to, the Security and Pledge Agreement, dated as of October 27, 2010, by and between the Debtors and the Cash Pay Trustee and Collateral Agent, the Copyright Security Assignment, dated as of October 27, 2010, executed and delivered by the Debtors to the First Lien Trustee and Collateral Agent, the Trademark Security Agreement, dated as of October 27, 2010, executed and delivered by the Debtors to the Cash Pay Trustee and Collateral Agent and certain account control agreements in favor of the Cash Pay Trustee and Collateral Agent (as amended, collectively, the **"Cash Pay Security Documents"**). Where applicable, the Cash Pay Noteholders and the Cash Pay Trustee and Collateral Agent are collectively referred to as the **"Cash Pay Secured Parties"**.

(iv) Where applicable, the Prepetition First Priority Obligations, the Non-Cash Pay Second Priority Obligations and the Cash Pay Second Priority Obligations are collectively referred to as the **"Prepetition Secured Obligations"**; the Existing First Lien Credit Documents, the Non-Cash Pay Credit Documents and the Cash Pay Credit Documents are collectively referred to as the **"Prepetition Credit Documents"**; the Senior Secured Parties, the Non-Cash Pay Secured Parties and the Cash Pay Secured Parties are collectively referred to as the **"Secured Parties"**; the Prepetition First Priority Collateral, the Non-Cash Pay Second Priority Collateral and the Cash Pay Second Priority Collateral are collectively referred to as the

“**Prepetition Collateral**”; and the Prepetition First Priority Liens, the Non-Cash Pay Second Priority Liens and the Cash Pay Second Priority Liens are collectively referred to as the “**Prepetition Liens**.”

(v) Pursuant to that certain Intercreditor and Subordination Agreement, dated as of October 27, 2010 (the “**Intercreditor Agreement**”) among the Debtors and each of the Trustees and Collateral Agents (a) the Non-Cash Pay Secured Parties agreed to subordinate their right to payment under the Non-Cash Pay Credit Documents and (b) the Non-Cash Pay Secured Parties and the Cash Pay Secured Parties agreed to subordinate their right to take enforcement action under the Non-Cash Pay Security Documents and the Cash Pay Security Documents, respectively, until the Prepetition First Priority Obligations have been paid in full on the terms set forth in the Intercreditor Agreement.

(vi) The Cash Pay Credit Documents and the Non-Cash Pay Credit Documents are subject to that certain Intercreditor and Subordination Agreement dated as of October 27, 2010 (the “**Second Lien Intercreditor Agreement**”) among the Debtors and each of the Non-Cash Pay Trustee and Collateral Agent and the Cash Pay Trustee and Collateral Agent.

F. **Transaction Support Agreement.** The Debtors represent that they are party to that certain Transaction Support Agreement entered into as of September 16, 2013 (the “**TSA**”) with (i) certain of the Existing First Lien Noteholders that, in the aggregate, hold more than two-thirds in principal amount of the Existing First Lien Notes (the “**Consenting Existing First Lien Noteholders**”), and (ii) certain Non-Cash Pay Noteholders that, in the aggregate, hold more than two-thirds in principal amount of the Non-Cash Pay Notes (“**Consenting Non-Cash Pay Noteholders**” and, together with the Consenting Existing First Lien Noteholders, the “**Consenting Noteholders**”), pursuant to which the Consenting Noteholders have agreed to

support a chapter 11 reorganization of the Debtors and the Debtors' use of their Cash Collateral subject to and in accordance with the terms set forth in the TSA.

G. **Cash Pay Settlement.** The Debtors represent that FriendFinder Networks Inc. and Interactive Network, Inc. (collectively, the "Issuers") are party to that certain Settlement Term Sheet (Bell/Staton), dated August 27, 2013, with Marc H. Bell and Daniel C. Staton, which was consented to by the Consenting Noteholders (the "**Bell/Staton Settlement Agreement**"). Mr. Bell and Mr. Staton are the holders of 100% of the issued and outstanding Cash Pay Notes. Pursuant to the Bell/Staton Settlement Agreement, Mr. Bell and Mr. Staton agreed to support the transactions set forth in the TSA including, without limitation, a chapter 11 reorganization of the Debtors and consent to the Debtors' use of Cash Collateral as set forth herein.

H. **Exigent Circumstances.** In the Motion, the Debtors have asserted that they do not have sufficient available sources of working capital and financing to carry on the normal course operation of their businesses without use of the Cash Collateral. The Debtors have further asserted that their ability to maintain business relationships with their vendors, suppliers, and customers, and to finance their day-to-day operations, is essential to the Debtors' continued viability. In addition, the Debtors have represented that their need for use of Cash Collateral is critical and immediate. In the absence of the use of Cash Collateral, the continued operation of the Debtors' businesses would not be possible. Accordingly, the Debtors and their estates would suffer immediate and irreparable harm unless the Debtors are authorized to use Cash Collateral on the terms and conditions set forth herein and in accordance with the Budget (defined below).

I. **Budget.** Attached as Exhibit 1 hereto is a budget (as amended, supplemented or modified in accordance with the terms of this Final Order, the "**Budget**") setting forth on a line-

item basis the Debtors' anticipated cumulative cash receipts and expenditures on a weekly basis and all necessary and required cumulative expenses which the Debtors expect to incur during each weekly period under the Budget. The Budget is an integral part of this Final Order. The Debtors do not presently anticipate that they will incur expenses during the Cash Collateral Period (defined below) other than, or in excess of, those identified in the Budget.

J. **Secured Parties' Consent.** Subject to the terms and conditions of this Final Order, the Secured Parties are willing to permit the Debtors to use Cash Collateral solely for the purposes set forth in, and in accordance with the terms and conditions of, the Budget through the Termination Date.K. **Immediate Entry of this Final Order.** The Debtors have requested entry of this Final Order pursuant to, and have complied with, Bankruptcy Rule 4001(b)(2) and Local Rule 4001-2. For the reasons stated above and as stated on the record at the hearing on the Motion, this Court concludes that immediate entry of this Final Order is in the best interests of the Debtors' estates and creditors in order to avoid immediate and irreparable harm to the Debtors and their properties and estates.

L. **Alternative Financing Unavailable.** Given the Debtors' current financial condition, financing arrangements, and capital structure, the Debtors have been unable to obtain financing from sources on terms more favorable than provided for in this Final Order. The Debtors likewise have been unable to obtain unsecured credit outside the ordinary course of business allowable under Section 364(b)(1) of the Bankruptcy Code as an administrative expense.

M. **Good Faith.** The terms of the Cash Collateral arrangement described herein are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

The terms concerning the Debtors' use of Cash Collateral as provided for in this Final Order were negotiated in good faith and at arms' length between the Debtors and the Secured Parties, and the Secured Parties' claims, superpriority claims, replacement liens, and other protections granted pursuant to this Final Order will have the protections provided in Section 364(e) of the Bankruptcy Code.

Based upon the foregoing findings and conclusions, and upon the record made before this Court at the hearing on the Motion, and good and sufficient cause appearing therefore:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT;

1. Motion Granted. The Motion is granted on a final basis as set forth herein. Subject to the provisions of this Final Order, the provisions of the Interim Order are hereby ratified and govern the period preceding the entry of this Final Order. Subject to the terms hereof, this Final Order is valid immediately and is fully effective upon its entry. All objections to the entry of this Final Order that have not been withdrawn are hereby overruled.

2. Authorization. The Debtors are authorized to use Cash Collateral in accordance with and pursuant to the terms and provisions of this Final Order and the Budget (during the period (the "Cash Collateral Period") from the Petition Date through and including the Termination Date (as defined in paragraph 9.a of this Final Order) for (i) working capital purposes, (ii) other general corporate purposes, and (iii) to satisfy the costs and expenses of administering these chapter 11 cases (including professional fees incurred).

3. Deposit Accounts. All cash receipts, Cash Collateral and, all proceeds from the sale, transfer or other disposition of any Prepetition Collateral shall be promptly deposited in the same bank accounts into which the collections and proceeds of the Prepetition Collateral were deposited under the Prepetition Credit Documents (the "Deposit Accounts").

Such collections and proceeds (a) shall remain subject to and (b) shall be treated in accordance with the terms and conditions of this Final Order. All Cash Collateral amounts may be used by the Debtors in accordance with the Budget and the terms of this Final Order.

4. Debtors' Acknowledgement of Indebtedness; Stipulations. Subject to paragraph 11 below, each of the Debtors hereby acknowledges, agrees and stipulates (collectively, the "**Debtors' Stipulations**") that:

a. Prepetition Debt.

(i) As of the Petition Date, the Debtors are indebted and liable to the Senior Secured Parties pursuant to, *inter alia*, the Existing First Lien Credit Documents in the approximate principal amount (including the applicable prepayment premium) of \$234,286,908.16, plus all interest accrued thereon, at the applicable default rate and remaining unpaid, plus all fees, costs, expenses, and costs of collection (including, without limitation, reasonable attorneys', financial advisors' and other professionals' fees and expenses) as set forth in the Existing First Lien Credit Documents, heretofore or hereafter incurred by the Senior Secured Parties in connection therewith (the "**Senior Secured Parties' Claim**"). The debts and obligations arising from the Senior Secured Parties' Claim constitute the legal, valid, binding and enforceable obligations of the Debtors, enforceable against the Debtors in accordance with the terms of the applicable Existing First Lien Credit Documents, and shall not be subject to avoidance, reduction, set off, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defense, disallowance, impairment or any other challenges under the Bankruptcy Code or other applicable law or regulation by any person or entity.

(ii) As of the Petition Date, the Debtors are indebted and liable to the Non-Cash Pay Secured Parties pursuant to, *inter alia*, the Non-Cash Pay Credit Documents in the principal ^{APPROXIMATE} ~~approximate~~ amount (including applicable prepayment premium) of \$320,254,296, plus all interest accrued thereon at the applicable default rate, plus all fees, costs, expenses, and costs of collection (including, without limitation, reasonable attorneys', financial advisors' and other professionals' fees and expenses) as set forth in the Non-Cash Pay Credit Documents, heretofore or hereafter incurred by the Non-Cash Pay Secured Parties in connection therewith (the "**Non-Cash Pay Secured Parties' Claim**"). The debts and obligations arising from the Non-Cash Pay Secured Parties' Claim constitute the legal, valid, binding and enforceable obligations of the Debtors, enforceable against the Debtors in accordance with the terms of the applicable Non-Cash Pay Credit Documents, and shall not be subject to avoidance, reduction, set off, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defense, disallowance, impairment or any other challenges under the Bankruptcy Code or other applicable law or regulation by any person or entity.

(iii) As of the Petition Date, the Debtors are indebted and liable to the Cash Pay Secured Parties, without objection, defense, counterclaim or offset of any kind, in

respect of the obligations arising under and pursuant to, *inter alia*, the Cash Pay Credit Documents in the approximate principal amounts (including applicable prepayment premiums) of \$10,583,417.70, plus all interest accrued thereon at the applicable default rate, plus all fees, costs, expenses, and costs of collection (including, without limitation, reasonable attorneys', financial advisors' and other professionals' fees and expenses) as set forth in the Cash Pay Credit Documents, heretofore or hereafter incurred by the Cash Pay Secured Parties in connection therewith (the "**Cash Pay Secured Parties' Claim**" and, collectively with the Senior Secured Parties' Claims and the Non-Cash Pay Secured Claims, the "**Prepetition Secured Claims**"). The debts and obligations arising from the Cash Pay Secured Parties' Claim constitute the legal, valid, binding and enforceable obligations of the Debtors, enforceable against the Debtors in accordance with the terms of the applicable Cash Pay Credit Documents, and shall not be subject to avoidance, reduction, set off, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defense, disallowance, impairment or any other challenges under the Bankruptcy Code or other applicable law or regulation by any person or entity.

b. Prepetition Security Interests.

(i) The Senior Secured Parties' Claim (a) is secured by valid, perfected, binding and enforceable first priority liens and security interests in, on and upon the Collateral, (b) was granted by the Debtors for fair consideration and reasonably equivalent value, (c) shall not be subject to avoidance, reduction, set off, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defense, disallowance, impairment or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity and (d) shall constitute an allowed secured claim against each of the Debtors pursuant to §§ 506(a) and (b) of the Bankruptcy Code for all purposes.

(ii) The Non-Cash Pay Secured Parties' Claim (a) is secured by valid, perfected, binding and enforceable second priority liens and security interests in, on and upon the Collateral, (b) was granted by the Debtors for fair consideration and reasonably equivalent value, (c) shall not be subject to avoidance, reduction, set off, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defense, disallowance, impairment or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity and (d) shall constitute an allowed secured claim against each of the Debtors pursuant to §§ 506(a) and (b) of the Bankruptcy Code for all purposes.

(iii) The Cash Pay Secured Parties' Claim (a) is secured by valid, perfected, binding and enforceable second priority liens and security interests in, on and upon the Collateral, (b) was granted by the Debtors for fair consideration and reasonably equivalent value, (c) shall not be subject to avoidance, reduction, set off, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defense, disallowance, impairment or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity and (d) shall constitute an allowed secured claim against each of the Debtors pursuant to §§ 506(a) and (b) of the Bankruptcy Code for all purposes.

(iv) All of the Debtors' cash generated from the Prepetition Collateral, wherever located, whether as original collateral or profits, rents or proceeds of the Prepetition Collateral, constitutes Cash Collateral of the Secured Parties.

c. Waiver of Claims/Liens Challenges.

(i) — The Debtors have no offsets, defenses, claims, or counterclaims against the Secured Parties solely in their capacities as Secured Parties, or the Secured Parties' officers, directors, employees, attorneys, representatives, parent, affiliates, predecessors, successors, or assigns, solely in their capacities in such roles to the Secured Creditor in its capacity as a Secured Creditor (collectively, the "**Secured Creditor Released Parties**") with respect to any of the Prepetition Secured Claims in connection with any of the Prepetition Credit Documents, and if any of the Debtors now has, or ever did have, any offsets, defenses, claims, or counterclaims against any Secured Creditor Released Party, whether known or unknown, at law or in equity, from the beginning of the world through this date, all of the claims arising from the Prepetition Credit Documents are hereby expressly **WAIVED** and each of the Debtors hereby **RELEASES** each of the Secured Creditor Released Parties from any liability relating to any of the Prepetition Credit Documents and any of the Prepetition Secured Obligations. For the avoidance of doubt, the releases of the Secured Creditor Released Parties set forth in the immediately preceding sentence are releases of the Secured Creditor Released Parties solely in their capacities as Secured Parties or roles related thereto and in no other capacity.

(ii) Any and all challenges by any of the Debtors (a) to the validity, sufficiency, priority, or amount of any of the Prepetition Secured Claims or (b) to the perfection of any of the Prepetition Liens; and any and all transfers received by any of the Secured Parties prior to the Petition Date with respect to any of the Prepetition Secured Claims, including, but not limited to, claims or challenges pursuant to §§ 506(c), 544, 547, 548, 549, 550, and 553 of the Bankruptcy Code, shall be forever barred.

5. Budget.

a. Commencing with the date of the entry of this Final Order, the Debtors may use Cash Collateral until the Termination Date to the extent set forth in the Budget and in excess of the expenses set forth in the Budget so long as the percentage deviation from the amount set forth in the Budget, in the aggregate, does not exceed 10%. Notwithstanding the foregoing, in the event that the Debtors use Cash Collateral in an amount less than the amount set forth in the Budget in any applicable line item, the Debtors shall be entitled to roll-forward the amount of the difference between (i) the amount set forth in the Budget in such line item and (ii) the amount of Cash Collateral actually used in such line item, and apply that amount toward such

line item during the subsequent four weekly periods; provided, that amounts for Professional Fees (as defined below) shall be (a) measured on a cumulative basis from the Petition Date for each Professional Person (as defined below) and not subject to the four week limitation on roll-forward and (b) subject to a 10% line item variance as to each Professional Person.

b. The Budget may be amended, modified or supplemented from time to time by written agreement of the Required Consenting First Lien Noteholders (as defined in the TSA) and the Debtors, and upon notice to counsel for each of the Trustees and Collateral Agents, the Milbank Client, the Jones Day Non-Cash Pay Group, the holders of the Cash Pay Second Lien Notes, and the Committee, if any (collectively, the “**Budget Notice Parties**”), without the need of further notice, hearing or order of this Court.

c. Under no circumstances shall any of the Secured Parties be required to advance any funds to pay any disbursement set forth in the Budget. The Debtors shall prepare and furnish to counsel to each of the Budget Notice Parties, in form and substance reasonably satisfactory to the Required Consenting First Lien Noteholders a weekly report of receipts, disbursements and a reconciliation of actual expenditures and disbursements with those set forth in the Budget, on a line-by-line basis showing any variance to the proposed corresponding line item of the Budget (“**Budget Reconciliation**”). Such Budget Reconciliation shall be provided to the Budget Notice Parties so as actually to be received within three (3) business days following the end of each immediately preceding week. The Secured Parties may assume that the Debtors will comply with the Budget, as ordered by this Court pursuant to this Final Order, shall have no duty to monitor such compliance and except to the extent of the Carve-Out (defined below) shall not be obligated to pay (directly or indirectly from the Collateral) any unpaid expenses incurred or authorized to be incurred pursuant to the Budget.

d. The Debtors shall pay expenses incurred under any Budget in a timely manner in the ordinary course of their businesses; provided, however, that nothing herein shall require the Debtors to pay any expense that they dispute in good faith until such dispute has been resolved consensually, judicially or otherwise.

6. Adequate Protection. As adequate protection for (i) the use, sale or lease of the Collateral (other than the Cash Collateral) pursuant to Bankruptcy Code section 363 and (ii) the imposition of the automatic stay pursuant to Bankruptcy Code section 362(a), the Secured Parties are hereby granted the following:

a. Payments. The Debtors shall timely pay to the First Lien Trustee and Collateral Agent, for the benefit of the Senior Secured Parties, on an ongoing basis, in cash, all interest due (at the contractual non-default rate) under and in accordance with the provisions of the Existing First Lien Credit Documents to the extent provided in the Budget; provided, however, that except as voluntarily agreed to for purposes solely of the payment of adequate protection under this Final Order, nothing herein shall prejudice the Senior Secured Parties' right to interest at the contractual default rate under the Existing First Lien Credit Documents or to include such amount in their claim against the Debtors.

b. Replacement Liens.

(i) The Senior Secured Parties are hereby granted valid, binding, enforceable and perfected first priority replacement security interests in, and liens on (collectively, the "**Senior Adequate Protection Liens**") all of the Debtors' prepetition and post-petition assets of every kind, nature, and description, tangible and intangible, now existing or hereafter acquired or arising, including, but not limited to, all contracts, all accounts, inventory, equipment, general intangibles, goods, motor vehicles, real estate, and the proceeds of leasehold interests (but not the leaseholds themselves), as well as all cash and non-cash products and proceeds thereof (collectively, the "**Post-Petition Collateral**"), but excluding causes of action and the proceeds of any causes of action under sections 502(d), 544, 545, 547, 548, 550 or 553 of the Bankruptcy Code ("**Avoidance Actions**"). The post-petition grant of the Senior Adequate Protection Liens shall be supplemental to and in addition to the security interest which the Senior Secured Parties possess pursuant to the Existing First Lien Credit Documents, and shall attach

with the same priority as enjoyed by the Prepetition First Priority Liens immediately prior to the Petition Date, to the extent of any diminution in value of the Collateral and Cash Collateral.

(ii) The Non-Cash Pay Secured Parties are hereby granted valid, binding, enforceable and perfected replacement security interests in, and liens on (collectively, the ~~“the”~~ **Non-Cash Pay Adequate Protection Liens**) all of the Post-Petition Collateral, but excluding Avoidance Actions and the proceeds thereof; provided, however that, the Non-Cash Pay Adequate Protection Liens shall be subject in all respects to the Intercreditor Agreement. The Non-Cash Pay Adequate Protection Liens shall be subject in all respects to the Second Lien Intercreditor Agreement. The post-petition grant of the Non-Cash Pay Adequate Protection Liens shall be supplemental to and in addition to the security interest that the Non-Cash Pay Secured Parties possess pursuant to the Non-Cash Pay Credit Documents, and shall otherwise attach with the same priority as enjoyed by the Non-Cash Pay Second Priority Liens immediately prior to the Petition Date, to the extent of any diminution in value of the Collateral and Cash Collateral.

(iii) The Cash Pay Secured Parties are hereby granted valid, binding, enforceable and perfected replacement security interests in, and liens on (collectively, the ~~“the”~~ **Cash Pay Adequate Protection Liens** and, collectively with the Senior Adequate Protection Liens and the Non-Cash Pay Adequate Protection Liens, the **“Adequate Protection Liens”**) all of the Post-Petition Collateral, but excluding Avoidance Actions and the proceeds thereof; provided, however that the Cash Pay Adequate Protection Liens shall be subject in all respects to the Intercreditor Agreement. The Cash Pay Adequate Protection Liens shall also be subject in all respects to the Second Lien Intercreditor Agreement. The post-petition grant of the Cash Pay Adequate Protection Liens shall be supplemental to and in addition to the security interest that the Non-Cash Pay Secured Parties possess pursuant to the Cash Pay Credit Documents, and shall otherwise attach with the same priority as enjoyed by the Cash Pay Second Priority Liens immediately prior to the Petition Date, to the extent of any diminution in value of the Collateral and Cash Collateral.

(iv) Subject to the paragraphs 6(b)(ii) and (b)(iii) above, the Adequate Protection Liens granted to the Secured Parties pursuant to this Final Order shall be prior and senior to all liens and encumbrances of (a) all other secured creditors in and to such property granted, or arising, subsequent to the date of this Final Order (including to the fullest extent permitted by law, without limitation, liens and security interests, if any, granted in favor of any federal, state, municipal, or other governmental unit, commission, board or court for any liability of the Debtors other than taxes); (b) any intercompany claim of the Debtors, or any parent, subsidiary or affiliate of the Debtors; and (c) any security interest or lien that is avoided or otherwise preserved for the benefit of the Debtors' estate pursuant to § 551 of the Bankruptcy Code; provided, however, that the Adequate Protection Liens granted to the Secured Parties pursuant to this Final Order: (y) shall be subject to the Carve-Out and a carve-out for any quarterly or other fees payable to the U.S. Trustee; and (z) shall not prime any valid, perfected, and non-avoidable prepetition lien held by, or granted to, any other party prepetition.

(v) The Adequate Protection Liens granted pursuant to this Final Order shall constitute valid and duly perfected security interests and liens, and the Secured Parties shall not be required to file or serve financing statements, notices of lien or similar instruments which otherwise may be required under federal or state law in any jurisdiction, or

take any action, including taking possession, to validate and perfect such security interests and liens; and the failure by the Debtors to take any action or execute any documentation relating to the Adequate Protection Liens shall in no way affect the validity, perfection, or priority of such replacement liens. If, however, any Secured Creditor, in its discretion, shall determine to file any such financing statements, notices of lien or similar instruments, or to otherwise confirm perfection of such Adequate Protection Liens, the Debtors are directed to cooperate with and assist in such process. The stay imposed by § 362(a) of the Bankruptcy Code hereby is lifted to allow the filing and recording of a certified copy of this Final Order or any such financing statements, notices of lien, or similar instructions, and all such documents shall be deemed to have been filed or recorded at the time and date of this Final Order; provided, however, that the time and date by which the stay imposed by § 362(a) of the Bankruptcy Code was deemed lifted under the Interim Order and by which documents were deemed to have been filed or recorded for perfection purposes with respect to the adequate protection liens granted under paragraph 6 of the Interim Order shall remain the time and date specified in the Interim Order.

(vi) The Senior Adequate Protection Liens shall continue in full force and effect until the Senior Secured Parties' Claim has been indefeasibly paid in full, including to the extent authorized by the Court pursuant to § 506(b) of the Bankruptcy Code, such interest, fees, costs, and expenses, including reasonable attorneys', financial advisors' and other professionals' fees, whether currently existing or hereafter accrued and incurred, as provided for by the applicable Existing First Lien Credit Documents and this Final Order. The Non-Cash Pay Adequate Protection Liens shall continue in full force and effect until the Non-Cash Pay Secured Parties' Claim has been indefeasibly paid in full, including to the extent authorized by the Court pursuant to § 506(b) of the Bankruptcy Code, such interest, fees, costs, and expenses, including reasonable attorneys' fees, whether currently existing or hereafter accrued and incurred, as provided for by the Non-Cash Pay Credit Documents and this Final Order. The Cash Pay Adequate Protection Liens shall continue in full force and effect until the Cash Pay Secured Parties' Claim has been indefeasibly paid in full, including to the extent authorized by the Court pursuant to § 506(b) of the Bankruptcy Code, such interest, fees, costs, and expenses, including reasonable attorneys' fees, whether currently existing or hereafter accrued and incurred, as provided for by the Cash Pay Credit Documents and this Final Order.

c. Superpriority Claims. Subject to the Carve-Out and the fees of the U.S. Trustee required to be paid in these chapter 11 cases, if, and to the extent that, the Adequate Protection Liens and the adequate protection described herein are insufficient to provide adequate protection to the Secured Parties for any diminution in the value of their interests in their respective Collateral and Cash Collateral from and after the Petition Date, each Secured Party is hereby granted allowed superpriority claims against the Debtors' estates pursuant to § 507(b) of the Bankruptcy Code (the "**Superpriority Claims**"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the

Bankruptcy Code, including, but not limited to, §§ 105, 326, 328, 330, 331, 503(b), 507(a), 507(b), 1113 and 1114 of the Bankruptcy Code, and shall at all times be senior to the rights of the Debtors, and any successor trustee or any creditor, in the chapter 11 cases or any subsequent proceedings in any other chapter of the Bankruptcy Code; provided that the Superpriority Claims of the Non-Cash Pay Secured Parties and the Cash-Pay Secured Parties shall be subordinated to the Superpriority Claims of the Senior Secured Parties and subject in all respects to the Intercreditor Agreement and the Second Lien Intercreditor Agreement. Subject to the Carve-Out, the fees of the U.S. Trustee required to be paid in these chapter 11 cases, and the Intercreditor Agreement and Second Lien Intercreditor Agreement, no cost or expense of administration asserted against the Debtors' estates under §§ 105, 503(b) and 507(b) of the Bankruptcy Code shall be senior to, or *pari passu* with, the Superpriority Claims.

d. Secured Parties' Costs and Expenses. As additional adequate protection, and without further order of or application to the Court, the Debtors are directed and authorized to pay each of the following Secured Parties, as follows (provided, that to the extent such fees and expenses exceed those set forth in the Budget for such party, the Debtors' payment of such fees and expense shall not constitute a default under this Final Order):

(i) Indenture Trustees. The Debtors shall timely pay in cash to each of the First Lien Trustee and Collateral Agent and the Non-Cash Pay Trustee and Collateral Agent all reasonable fees, costs and expenses (including, without limitation, any fees and expenses of their respective attorneys) (a) incurred by and unpaid to each as of the Petition Date, with all such amounts to be paid on or before the third (3rd) business day following the delivery by such entity (or its professionals) of an invoice or invoices reflecting in reasonable detail any such fees, costs and expenses and (b) incurred on and after the Petition Date by such entity, with all such amounts to be paid on or before the fifteenth (15th) business day following the delivery by such entity (or its professionals) from time to time of an invoice or invoices reflecting in reasonable detail any such fees, costs and expenses. In addition, the Debtors shall pay the reasonable fees and expenses (including counsel fees) of the Cash-Pay Trustee and Collateral Agent, with all such amounts to be paid on or before the tenth (10th) business day following the delivery by such entity (or its professionals) from time to time of an invoice or invoices reflecting in reasonable detail any such fees, costs and expenses, ~~but solely to the extent such fees and~~

~~expenses are incurred on account of ministerial and/or administrative actions taken by the Cash-Pay Trustee and Collateral Agent in connection with the implementation of the TSA including confirmation of the Plan and the use of Cash Collateral.~~

(ii) Professionals for Consenting Noteholders. The Debtors shall timely pay in cash all reasonable fees, costs expenses of the following professionals of two affiliated Consenting Existing First Lien Noteholders (in their capacities as such, the “**Milbank Client**”): (i) counsel Milbank, Tweed, Hadley & McCloy LLP (“**Milbank**”), (ii) local co-counsel to Milbank and (iii) any other professionals reasonably retained by the Milbank Client. The Debtors also shall timely pay in cash all reasonable fees, costs and expenses of the following professionals of certain of the Consenting Non-Cash Pay Noteholders (in their capacities as such, the “**Jones Day Non-Cash Pay Group**”): (i) counsel Jones Day, (ii) local co-counsel to Jones Day and (iii) any other professionals reasonably retained by the Jones Day Non-Cash Pay Group. Any fees and/or expenses (a) incurred by and unpaid to any of the foregoing professionals as of the Petition Date shall be paid on or before the third (3rd) business day following the delivery by the applicable professional of an invoice or invoices reflecting in reasonable detail any such fees and/or expenses and (b) incurred on and after the Petition Date shall be paid on or before the tenth (10th) business day following the delivery by the applicable professional of an invoice or invoices reflecting any such fees and/or expenses.

(iii) The above-identified Secured Parties, or their respective professionals, shall deliver their respective invoices to the Debtors, counsel to any Committee, Milbank, Jones Day, and the Office of the United States Trustee. Such invoices need not contain detailed descriptions of the services provided, but may consist of a general description of the services provided during the period covered by the invoice. If, with respect to any invoice for services performed following the Petition Date, the Debtors, the Office of the United States Trustee or any Committee notify a professional, in writing, by no later than the seventh (7th) business day following delivery of such invoice, of an objection to a particular invoice that it has delivered, and the objector and the professional whose fees are the subject of the objection are unable to resolve any dispute regarding the reasonableness of fees, costs and expenses in such invoice, the objector(s) may file with the Court and serve upon the professional a written objection to the reasonableness of such fees, costs and expenses. If such an objection is filed, the Debtors shall still be obligated to timely make all payments required under paragraph 6(d)(i) and (d)(ii) above except to the extent of the portion subject to the objection which shall not be paid until the Court authorizes such payment and/or the objection is otherwise resolved by the parties.

7. Attachment. To the extent the liens created by the Prepetition Loan Documents are valid, perfected and non-avoidable, such liens shall attach to any and all proceeds of the Prepetition Collateral realized by the estate of any Debtor in connection with the sale, transfer or other disposition of such Prepetition Collateral, subject to the lien priorities set forth herein.

8. No Marshaling. The First Lien Trustee and Collateral Agent, the Non-Cash Pay Trustee and Collateral Agent and the Cash Pay Trustee and Collateral Agent, as applicable, shall be entitled to apply the payments or proceeds of the Prepetition Collateral in accordance with the provisions of the Existing First Lien Credit Documents, the Non-Cash Pay Credit Documents, the Cash Pay Credit Documents and the Intercreditor Agreement and Second Lien Intercreditor Agreement. Furthermore, the Secured Parties shall not be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the Collateral (whether prepetition or post-petition). Additionally, upon entry of the Final Cash Collateral Order, the Secured Parties shall be entitled to all of the rights and benefits of Section 552(b) of the Bankruptcy Code, and the “equities of the case” exception under Section 552(b) of the Bankruptcy Code shall not apply to the Secured Parties with respect to proceeds, product, offspring, or profits of any of the Collateral.

9. Termination.

a. Termination Date. Subject to the Carve-Out, the Debtors’ right to use the Cash Collateral as herein authorized shall terminate immediately upon the earlier of (i) December 31, 2013 (which date may be extended upon the written consent of the Required Consenting Parties (as defined in the TSA)), or (ii) five (5) business days following delivery of written notice (the “**Default Notice**,” and such period of time, the “**Default Notice Period**”) by the Required Consenting First Lien Noteholders (as defined in the TSA) of the occurrence of an Event of Default (the occurrence of (i) or (ii), the “**Termination Date**”).

b. Events of Default. The occurrence of any of the following shall constitute an event of default (each, an “**Event of Default**”):

- 1) the termination of the TSA by its terms;

2) the Debtors' failure to perform or comply with any of their obligations under this Final Order, including, without limitation, their use of Cash Collateral for any purpose other than in accordance with this Final Order and any Budget or without the written consent of the Required Consenting First Lien Noteholders; provided, that the Debtors failure to provide required reporting hereunder shall be subject to a two (2) day grace period;

3) the cash disbursements of the Debtors exceed those permitted by any Budget (subject to the permitted variances) without the prior written consent of the Required Consenting First Lien Noteholders;

4) any Adequate Protection Lien created by this Final Order shall cease to be enforceable and of the same effect and priority purported to be created hereby;

5) the entry of any order in the chapter 11 cases (a) granting a super-priority claim or lien *pari passu* with or senior to those granted to the Secured Parties pursuant to any of the Prepetition Credit Documents, as applicable, or this Final Order under any section of the Bankruptcy Code, including, without limitation, sections 105 or 364, or any other law, without the written consent of the Required Consenting First Lien Noteholders, (b) staying, reversing, vacating or otherwise modifying this Final Order without the prior written consent of the Required Consenting First Lien Noteholders, (c) impairing the rights of any of the Secured Parties under this Final Order, or under the Prepetition Credit Documents, as applicable, or (d) granting relief from the automatic stay so as to allow a third party to proceed against any material asset or assets of the Debtors which are Prepetition Collateral or subject to the Adequate Protection Liens granted herein; or

6) the commencement by the Debtors of, or the Debtors' support for, any action or proceeding to challenge (i) the validity, priority or enforceability of any of any of the Prepetition Liens, the Adequate Protection Liens, the Superpriority Claims, the Prepetition Secured Obligations or (ii) any payment made to or on behalf of any of the Secured Parties in accordance with the Prepetition Credit Documents, the Intercreditor Agreement, the Second Lien Intercreditor Agreement and this Final Order prior or subsequent to the Petition Date.

10. Exercise of Rights and Remedies.

a. At any time after the expiration of the Default Notice Period, provided that the Debtors have not cured the Event of Default prior to the expiration of the Default Notice Period, (a) the Senior Secured Parties may immediately exercise all rights and remedies and take all or any actions available under the Existing First Lien Credit Documents and applicable law and (b) subject in all respects to the restrictions contained in the Intercreditor Agreement and the Second Lien Intercreditor Agreement, (i) the Non-Cash Pay Secured Parties

may immediately exercise all rights and remedies and take all or any actions available under the Non-Cash Pay Credit Documents and applicable law and (ii) the Cash Pay Secured Parties may immediately exercise all rights and remedies and take all or any actions available under the Cash Pay Credit Documents and applicable law. Any such actions by any of the foregoing parties shall not require relief from the automatic stay pursuant to Bankruptcy Code section 362 (which is hereby deemed modified and vacated to the extent necessary to permit such exercise of rights and remedies and the taking of such actions) or further order of or application to this Court. Any Event of Default under this Final Order shall be an "Event of Default" under each of the Secured Parties respective credit documents, but shall not give rise to any cure, notice, or similar right of the Debtors under such credit documents.

b. The Debtors waive any right upon the occurrence and during the continuation of an Event of Default, to seek relief under the Bankruptcy Code, including without limitation, under Bankruptcy Code section 105, to the extent any such relief would in any way restrict or impair the rights and remedies of the Secured Parties set forth in this Final Order, provided that such waiver shall not preclude the Debtors from contesting whether an Event of Default has occurred and is then continuing or from seeking the right to use Cash Collateral over the objection of the Secured Parties.

11. Committee Claims/Lien Challenge Period. The stipulations and admissions contained in this Final Order, including without limitation, in paragraph 4 above, shall be binding upon all parties in interest, including without limitation, the Debtors and their affiliates and any of their respective successors (including any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors), their estates and the Committee, if any, and all parties in interest, including without limitation, the Debtors and their affiliates and any of their

respective successors (including any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors), their estates and the Committee, if any, are deemed to have irrevocably waived and relinquished all claims and right to challenge any such stipulations and admissions unless (a) the Committee, if any, has obtained standing and has properly filed an adversary proceeding or contested matter (subject to the limitation set forth in the proviso at the end of the first sentence of paragraph 12(b) below) challenging the validity, enforceability or priority of the Prepetition First Priority Obligations, Non-Cash Pay Second Priority Obligations or the Cash Pay Second Priority Obligations or any of the Prepetition Liens or otherwise asserting any claims or causes of action against any of the Secured Parties on behalf of the Debtors' estates, by no later than the date that is the earlier of 60 days from the formation of a Committee or 75 days from entry of the Interim Order (the "**Challenge Deadline**"). Any such adversary or contested matter shall set forth with specificity the basis for any claims or causes of action, and any such claims or causes of action not so specified prior to the expiration of the Challenge Deadline shall be forever deemed waived, released and barred. If no such adversary proceeding or contested matter is properly commenced as of the Challenge Deadline, the Prepetition Secured Claims shall constitute allowed claims, in the amounts set forth herein, shall not be subject to subordination and shall otherwise be unavoidable, for all purposes in the chapter 11 cases and any subsequent chapter 7 cases, the Prepetition Liens shall be deemed legal, valid, binding, perfected, first-priority liens not subject to subordination and otherwise unavoidable, and the Prepetition Secured Obligations and the Prepetition Liens shall not be subject to any other or further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto. If any such adversary proceeding or contested matter is properly commenced as of the Challenge Deadline, the stipulations and admissions contained

in this Final Order, including without limitation, in paragraph 4 above, shall nonetheless remain binding and preclusive except to the extent that such findings were expressly challenged in such adversary proceeding or contested matter prior to the Challenge Deadline. Nothing in this Final Order vests or confers on any person, including the Committee (if any), standing or authority to pursue any cause of action belonging to the Debtors or their estates.

12. Carve-Out.

a. Scope of Carve-Out. The liens, security interests, and superpriority claims granted herein, including the Adequate Protection Liens, any Superpriority Claims, the Prepetition Liens, and any other liens, claims, or interest of any person, shall be subject and subordinate to the Carve-Out. The “**Carve-Out**” shall mean, upon the Termination Date, the sum of (i) all fees required to be paid to the clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (ii) below); (ii) to the extent allowed under the Bankruptcy Code, all unpaid fees, costs and expenses (the “**Professional Fees**”) incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code or any statutory committee appointed in these chapter 11 cases pursuant to section 1102 of the Bankruptcy Code (collectively, the “**Professional Persons**”), before or on the date of delivery by the First Lien Trustee and Collateral Agent or the Required Consenting First Lien Noteholders of a Carve-Out Trigger Notice (as defined below), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice (the “**Pre-Trigger Date Fees**”); (iii) after the date of delivery of the Carve-Out Trigger Notice (the “**Trigger Date**”), to the extent incurred after the Trigger Date, and allowed under the Bankruptcy Code, the payment of Professional Fees of Professional Persons in an aggregate amount not to exceed \$400,000.00 (the amount set forth in this clause (iii) being the “**Post-Carve Out Trigger Notice**

Cap”); (iv) fees and expenses of up to \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (ii) above) if the chapter 11 cases are converted to cases under chapter 7 which amount shall be in addition to the Post-Carve Out Trigger Notice Cap; (v) claims of Anthony Previte for reimbursement of any amounts paid by him pursuant to the his personal guarantee of the Debtors’ obligations to American Express whether such payments are made before or after the Termination Date; and (vi) unpaid operating expenses in accordance with the Budget that were incurred prior to the Termination Date, solely to the extent that such claims would have been authorized to be paid by the Debtors prior to such date, pursuant to the Budget, if the Termination Date had not occurred. For purposes of the foregoing, “Carve-Out Trigger Notice” shall mean written notice by the First Lien Trustee and Collateral Agent or the Required Consenting First Lien Noteholders to the Debtors, the Debtors’ lead counsel, and each of the Budget Notice Parties, delivered upon the occurrence of a Termination Date under this Final Order, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

b. Restriction on Carve-Out Use; Committee Investigation Budget.

No proceeds of the Prepetition Collateral, Cash Collateral, the Post-Petition Collateral (to the extent it constitutes proceeds of Prepetition Collateral or Cash Collateral or there has been diminution in value of the Prepetition Collateral or Cash Collateral) or the Carve-Out shall be used for the purpose of: (a) investigating, objecting to, challenging or contesting in any manner, or in raising any defenses to, the amount, validity, extent, perfection, priority or enforceability of any of the Prepetition Secured Obligations, any of the Prepetition Liens, or any other rights or interests of any of the Secured Parties, whether in their capacity as such or otherwise, including with respect to the Adequate Protection Liens, or in asserting any claims or causes of action

against any of the Secured Parties, whether in their capacity as such or otherwise, including, without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550, or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise; (b) seeking to have confirmed any plan of reorganization, plan of liquidation, or asset sale, that does not comply in all respects with the TSA; (c) seeking to modify any of the rights granted to the Secured Parties hereunder; (d) preventing, hindering or otherwise delaying the Secured Parties' assertion, enforcement or realization upon any Collateral in accordance with the Prepetition Credit Documents and this Final Order; or (e) paying any amount on account of any claims arising before the Petition Date unless such payments are approved by an order of this Court; provided that up to \$50,000 of Cash Collateral shall be made available to the Committee for fees and expenses incurred in connection with any investigation (but not initiation or prosecution) of any claims or causes of action against any Secured Party (including, without limitation, investigation of the validity and priority of the Prepetition Liens) (the "**Committee Investigation Budget**"). The Secured Parties reserve the right to object to, contest or otherwise challenge any claim incurred in connection with any activities described above (other than as permitted in connection with the Committee Investigation Budget in an amount not exceeding such Committee Investigation Budget) on the ground that such claim should not be allowed, treated or payable as an administrative expense claim for purposes of section 1129(a)(9)(A) of the Bankruptcy Code.

c. Payment of Carve-Out Upon Sale. In the event of a sale or sales of all or substantially all of the assets of the Debtors, the Debtors and the Required Consenting First Lien Lenders shall negotiate in good faith an amount of Cash Collateral, to be set aside and made available to the estates, sufficient to enable the Debtors to reserve for the payment of the Carve-

Out prior to giving effect to any such sale or sales. Any dispute regarding such reserve amount shall be resolved by the Court.

d. No Reduction of Amounts. Subject to the terms and conditions of this Final Order, the Debtors shall be permitted to pay compensation and reimbursement of reasonable fees and expenses of the Professionals allowed and payable under sections 328, 330 or 331 of the Bankruptcy Code, as the same may be due and payable, that constitute Pre-Termination Date Expenses and such payments shall not reduce or be deemed to reduce the Post-Termination Date Amount.

13. No Surcharge of Collateral. The Debtors shall not assert a claim under Bankruptcy Code section 506(c) for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by the Secured Parties upon the Prepetition Collateral or Post-Petition Collateral.

14. Intercreditor Agreements. All parties' rights with respect to any subordination or intercreditor agreements (if applicable) with respect to any Debtors, including, without limitation, the Intercreditor Agreement and Second Lien Intercreditor Agreement, are not affected by the entry of this Final Order.

15. Payment of the Bell Payment and the Staton Payment. The Debtors are authorized to make the Bell Payment and the Staton Payment provided that the Bankruptcy Court shall retain authority to clawback the Bell Payment and/or the Staton Payment if (i) the Bankruptcy Court determines that Bell, Staton, or any other Bell/Staton Party did not comply with its obligations under the Settlement Term Sheet, (ii) the Transaction Support Agreement terminates in accordance with its terms and the Debtors either withdraw the Plan or modifies the Plan to be inconsistent in any material respect with the Plan Term Sheet, (iii) the Termination

Date occurs, or (iv) confirmation of the Plan is denied or the effective date of the Plan has not occurred by the Outside Date, as defined in the TSA (a “**Clawback**”). In the event of a Clawback, each of Bell and Staton shall immediately disgorge and repay the Bell Payment and/or the Staton Payment, as applicable, and all parties shall return to the status quo as if the Settlement Term Sheet had not been executed.

16. Access. In addition to, and without limiting whatever rights to access the Secured Parties have under the Prepetition Credit Documents, immediately upon entry of this Final Order, during normal business hours and upon reasonable prior notice, any of the Secured Parties and/or one or more consultants retained by any of the Secured Parties, shall have access to (a) the Debtors’ business premises, (b) the Debtors’ personnel (including officers and employees), and (c) the Debtors’ books and records (including the Debtors’ computer systems in the event that any books and records are electronically maintained by the Debtors), for the purposes of observing the Debtors’ business operations and/or reviewing and inspecting the Prepetition Collateral and Post-Petition Collateral. The Secured Parties and/or the Secured Parties’ consultants shall take reasonable steps to ensure that such review, observation, and/or inspection do not unduly interfere with the Debtors’ business operations.

17. Modifications. Any stay, modification, reversal or vacatur of this Final Order or dismissal or conversion of the chapter 11 cases shall not affect the validity of any obligation of the Debtors to the Secured Parties incurred prior thereto pursuant to this Final Order. Notwithstanding any such stay, modification, reversal, vacatur, or dismissal or conversion of the chapter 11 cases, all uses of the Cash Collateral pursuant hereto prior to written notice to each of the Trustees and Collateral Agents, Milbank, as counsel to the Milbank Client, and Jones Day, as counsel to the Jones Day Non-Cash Pay Group, of the effective date of such


stay, modification, reversal, vacation, or dismissal of the chapter 11 cases, shall be governed in all respects by the original provisions hereof and the Secured Parties shall be entitled to all the rights, privileges and benefits, including without limitation, the Adequate Protection Liens and the Superpriority Claims granted to them herein.

18. Survival. The provisions of this Final Order and any actions taken pursuant hereto shall: (a) survive the Termination Date and entry of any order (i) converting any of the chapter 11 cases to a case under chapter 7 of the Bankruptcy Code; (ii) substantively consolidating any of the Debtors or their respective estates; or (iii) dismissing or closing any of the chapter 11 cases; and (b) shall continue in full force and effect notwithstanding the Termination Date or entry of any such order.

19. Successors and Assigns. The provisions of this Final Order shall be binding upon and inure to the benefit of the Secured Parties, the Debtors and their respective estates, and their respective successors and assigns, including, without limitation, any trustee, committee or other fiduciary hereafter appointed as a legal representative of any of the Debtors or their estates in these chapter 11 cases or in any subsequent chapter 7 cases of the Debtors.

20. Immediate Effect. This Final Order shall take effect and be fully enforceable immediately upon execution hereof. The fourteen (14) day stay provisions of Bankruptcy Rule 6004(h) are waived and shall not apply to this Final Order.

Dated: October 11, 2013



The Honorable Christopher S. Sontchi
U.S. Bankruptcy Judge

FFN Weekly Cash Collateral Budget¹

| (\$000s, unless stated) | 09/17/13 | 09/24/13 | 10/1/2013 ² | 10/08/13 |
|---|-----------------|-----------------|------------------------|-----------------|
| Week Commencing Tuesday | | | | |
| Beginning Cash Balance | \$34,868 | \$39,086 | \$33,403 | \$32,047 |
| Plus: Cash Generated - Internet | 4,353 | 3,938 | 3,923 | 4,312 |
| Plus: Cash Generated - Entertainment | 164 | 1,244 | 320 | 425 |
| Less: First Lien Notes ³ | | (7,455) | | (518) |
| Less: VAT Payments | | | | (129) |
| Less: Maintenance Capital Expenditures | | | (35) | (7) |
| Less: Ad Buys / Key Words / Affiliate Payments | (152) | (1,511) | (1,135) | (1,357) |
| Less: Salaries and Independent Contractors | (97) | (1,304) | (1,507) | (1,505) |
| Less: Ordinary Course Legal | | | (110) | (55) |
| Less: General and Administrative | (16) | (463) | (2,101) | (860) |
| Cash Available | \$39,118 | \$33,535 | \$32,758 | \$32,353 |
| Chapter 11 Impact | | | | |
| Less: Debtor's Bankruptcy Counsel | | | | (500) |
| Less: Debtor's Corporate Counsel | | | | (150) |
| Less: Debtor's Financial Advisor | | | | |
| Less: Debtor's Claims Agent | | | (8) | (8) |
| Less: US Trustee Fees | | | | |
| Less: First Lien Indenture Trustee Counsel / Advisor Fees | (5) | | (25) | |
| Less: Non-Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | | | (28) | |
| Less: Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | (27) | | (10) | |
| Less: First Lien Counsel / Advisor Fees | | (75) | | |
| Less: Second Lien Counsel / Advisor Fees | | (57) | | |
| Less: Utility Deposits | | | (640) | |
| Less: 503(b)(9) Claims ⁴ | | | | (110) |
| Less: Consulting Agreements | | | | (1,000) |
| Ending Cash Balance - Projected | \$39,086 | \$33,403 | \$32,047 | \$30,585 |

¹Budget does not reflect effective date payments.

²Positive variances from the budget for the weeks 9/17 and 9/24 have been added to the week of 10/1.

³Additional interest due to First Lien Lenders of \$518 is included in 10/8.

⁴503(b)(9) Claims are not expected to be paid until after the first four weeks.

FFN Weekly Cash Collateral Budget¹

| (\$000s, unless stated) | 10/15/13 | 10/22/13 | 10/29/13 | 11/05/13 |
|---|-----------------|-----------------|-----------------|-----------------|
| Week Commencing Tuesday | | | | |
| Beginning Cash Balance | \$30,585 | \$29,938 | \$29,564 | \$29,062 |
| Plus: Cash Generated - Internet | 4,238 | 4,162 | 3,792 | 4,266 |
| Plus: Cash Generated - Entertainment | 796 | 200 | 269 | 491 |
| Less: First Lien Notes ³ | (1,700) | | | (276) |
| Less: VAT Payments | (182) | (7) | (1,207) | (7) |
| Less: Maintenance Capital Expenditures | (1,040) | (1,457) | (1,098) | (1,349) |
| Less: Ad Buys / Key Words / Affiliate Payments | (1,379) | (1,619) | (1,379) | (1,619) |
| Less: Salaries and Independent Contractors | (55) | (55) | (55) | (55) |
| Less: Ordinary Course Legal | (816) | (816) | (816) | (816) |
| Less: General and Administrative | | | | |
| Cash Available | \$30,446 | \$30,347 | \$29,070 | \$29,698 |
| Chapter 11 Impact | | | | |
| Less: Debtor's Bankruptcy Counsel | | (500) | | |
| Less: Debtor's Corporate Counsel | | (150) | | |
| Less: Debtor's Financial Advisor | | (125) | | |
| Less: Debtor's Claims Agent | (8) | (8) | (8) | (8) |
| Less: US Trustee Fees | | | | |
| Less: First Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: Non-Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: First Lien Counsel / Advisor Fees | (250) | | | |
| Less: Second Lien Counsel / Advisor Fees | (250) | | | |
| Less: Utility Deposits | | | | |
| Less: 503(b)(9) Claims ⁴ | | | | |
| Less: Consulting Agreements | | | | |
| Ending Cash Balance - Projected | \$29,938 | \$29,564 | \$29,062 | \$29,690 |

¹ Budget does not reflect effective date payments.

² Positive variances from the budget for the weeks 9/17 and 9/24 have been added to the week of 10/1.

³ Additional interest due to First Lien Lenders of \$518 is included in 10/8.

⁴ 503(b)(9) Claims are not expected to be paid until after the first four weeks.

FFN Weekly Cash Collateral Budget¹

| (\$000s, unless stated) | 11/12/13 | 11/19/13 | 11/26/13 | 12/03/13 |
|---|-----------------|-----------------|-----------------|-----------------|
| Week Commencing Tuesday | | | | |
| Beginning Cash Balance | \$29,690 | \$31,326 | \$28,663 | \$30,251 |
| Plus: Cash Generated - Internet | 4,152 | 4,094 | 3,880 | 4,163 |
| Plus: Cash Generated - Entertainment | 179 | 199 | 105 | 325 |
| Less: First Lien Notes ³ | | | | |
| Less: VAT Payments | | | | |
| Less: Maintenance Capital Expenditures | (187) | (7) | (307) | (14) |
| Less: Ad Buys / Key Words / Affiliate Payments | (1,023) | (2,444) | (1,118) | (1,329) |
| Less: Salaries and Independent Contractors | (106) | (2,863) | (106) | (2,863) |
| Less: Ordinary Course Legal | (55) | (55) | (55) | (55) |
| Less: General and Administrative | (816) | (816) | (816) | (816) |
| Cash Available | \$31,834 | \$29,433 | \$30,246 | \$29,661 |
| Chapter 11 Impact | | | | |
| Less: Debtor's Bankruptcy Counsel | | (500) | | |
| Less: Debtor's Corporate Counsel | | (150) | | |
| Less: Debtor's Financial Advisor | | (125) | | |
| Less: Debtor's Claims Agent | (8) | (8) | (8) | (8) |
| Less: US Trustee Fees | | | | |
| Less: First Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: Non-Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: First Lien Counsel / Advisor Fees | (250) | | | |
| Less: Second Lien Counsel / Advisor Fees | (250) | | | |
| Less: Utility Deposits | | | | |
| Less: 503(b)(9) Claims ⁴ | | | | |
| Less: Consulting Agreements | | | | |
| Ending Cash Balance - Projected | \$31,326 | \$28,663 | \$30,251 | \$29,666 |

¹ Budget does not reflect effective date payments.

² Positive variances from the budget for the weeks 9/17 and 9/24 have been added to the week of 10/1.

³ Additional interest due to First Lien Lenders of \$518 is included in 10/8.

⁴ 503(b)(9) Claims are not expected to be paid until after the first four weeks.

FFN Weekly Cash Collateral Budget¹

| (\$000s, unless stated) | 12/10/13 | 12/17/13 | 12/24/13 | 12/31/13 |
|---|----------|----------|----------|----------|
| Week Commencing Tuesday | | | | |
| Beginning Cash Balance | \$29,666 | \$31,953 | \$28,618 | \$30,671 |
| Plus: Cash Generated - Internet | 4,025 | 3,979 | 4,170 | 3,844 |
| Plus: Cash Generated - Entertainment | 367 | 219 | 41 | 705 |
| Less: First Lien Notes ³ | (129) | | | (8,200) |
| Less: VAT Payments | (7) | (367) | (7) | (32) |
| Less: Maintenance Capital Expenditures | (997) | (2,423) | (1,179) | (1,262) |
| Less: Ad Buys / Key Words / Affiliate Payments | (106) | (2,892) | (106) | (2,892) |
| Less: Salaries and Independent Contractors | (55) | (55) | (55) | (55) |
| Less: Ordinary Course Legal | (816) | (816) | (816) | (816) |
| Less: General and Administrative | | | | |
| Cash Available | \$31,948 | \$29,598 | \$30,666 | \$21,963 |
| Chapter 11 Impact | | | | |
| Less: Debtor's Bankruptcy Counsel | | (250) | | |
| Less: Debtor's Corporate Counsel | | (75) | | |
| Less: Debtor's Financial Advisor | | (125) | | |
| Less: Debtor's Claims Agent | (8) | (8) | (8) | (8) |
| Less: US Trustee Fees | | (35) | | |
| Less: First Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: Non-Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: Cash Pay Second Lien Indenture Trustee Counsel / Advisor Fees | | | | |
| Less: First Lien Counsel / Advisor Fees | | (250) | | |
| Less: Second Lien Counsel / Advisor Fees | | (250) | | |
| Less: Utility Deposits | | | | |
| Less: 503(b)(9) Claims ⁴ | | | | |
| Less: Consulting Agreements | | | | |
| Ending Cash Balance - Projected | \$31,953 | \$28,618 | \$30,671 | \$21,968 |

¹ Budget does not reflect effective date payments.

² Positive variances from the budget for the weeks 9/17 and 9/24 have been added to the week of 10/1.

³ Additional interest due to First Lien Lenders of \$518 is included in 10/8.

⁴ 503(b)(9) Claims are not expected to be paid until after the first four weeks.