UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

DECLARATION OF ALAN G. SIEMEK IN SUPPORT OF DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS

I, Alan G. Siemek, hereby declare under penalty of perjury:

1. I am the Chief Financial Officer of Nebraska Book Company, Inc., one of the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I have served in this capacity since 1999 and I am generally familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. I am above 18 years of age, and I am competent to testify.

2. I submit this Declaration (this "Declaration") to provide an overview of the Debtors and these chapter 11 cases and to support the Debtors' petitions and "first day" motions (each a "First Day Motion" and, collectively, the "First Day Motions"), and I am authorized to submit this Declaration on behalf of the Debtors. Except as otherwise indicated, all facts set forth in this Declaration are based upon my personal knowledge of the Debtors' operations and

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

11120051106270000000000003

finances, information learned from my review of relevant documents, and information I have received from other members of the Debtors' management or the Debtors' advisors. If I were called upon to testify, I could and would testify competently to the facts set forth herein on that basis.

Preliminary Statement

3. The Debtors are one of the leading providers of new and used textbooks for college students in the United States. The Debtors provide textbooks to students throughout the United States using a sophisticated retail and wholesale distribution network, which includes approximately 280 on- and off-campus "brick and mortar" bookstores on or near college campuses across the country, numerous online and interactive channels, and wholesale used textbook sales to both their own bookstores as well as bookstores operated by independent third parties. The Debtors have a long history of stable growth, but over the last several years, certain student buying habits shifted towards online textbook providers, including most recently online rental textbook providers, areas outside the Debtors' core business model. In response, the Debtors focused on aggressively growing their online presence and developing a textbook rental business, both of which position the Debtors to thrive in the near future. However, the changing marketplace has had a negative effect on the Debtors' off-campus stores and left the Debtors with reduced Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA"), which approximates cash flows from operations. The Debtors also have significant debt obligations coming due in late-2011 that the Debtors have been unable to refinance due to (a) the banks' unwillingness to finance the Debtors given the Debtors' recent decline in financial performance and increased competition; (b) potential lenders fearing the Debtors' financial performance

would not rebound; and (c) market perception that the growth of digital books will have a long-term negative impact on textbooks as it already has with general interest books.

4. Further compounding the Debtors' refinancing efforts, the Debtors' business model typically calls for publishers and other merchandise vendors to provide approximately $200 million of new books and other merchandise on normal credit terms in July and August in advance of the "back to school" rush. These normal credit terms, which may not be available to the Debtors during the 2011 "back to school" rush because of the uncertainty regarding the refinancing of their debt structure, usually allow the Debtors the opportunity to sell the textbooks (or return them) and sell other merchandise prior to having to pay for the items. This trade credit has been less available to the Debtors in the last several months as publishers and vendors became increasingly concerned about the Debtors' refinancing process. Absent some action by the Debtors to de-lever their capital structure, the Debtors believe that it is highly unlikely that the publishers and vendors will extend the normal credit terms during the upcoming "back to school" rush. In fact, in the weeks leading up to the Petition Date, all five of the Debtors' largest suppliers of new textbooks requested that the Debtors pay cash in advance for new textbook orders.

5. Without refinancing a substantial portion of their outstanding debt obligations, the Debtors lack sufficient cash on hand to satisfy their potential working capital and debt obligations. As a result, the Debtors proactively undertook extensive efforts to right-size their capital structure and position themselves for ongoing success in the changing textbook industry landscape. On the business side, the Debtors implemented cost-saving programs that ultimately will save the Debtors' approximately $5 million over the next 12 months and engaged a third-party operational consulting firm to analyze the Debtors' inventory practices. In addition,

the Debtors retained an investment banker and restructuring counsel to engage creditors and other potential partners for a refinancing or restructuring transaction. After considering all available strategic alternatives to ensure that they were maximizing stakeholder value, the Debtors determined it was in their best interests to explore debt restructuring options with their major creditor constituents and on a parallel path, search for partners to execute a restructuring transaction.

6. Over the last seven months, the Debtors and their advisors engaged in discussions with numerous stakeholders, parties in interest, and potential partners for a comprehensive recapitalization, which led to multiple indications of interest and various restructuring proposals (including proposals from certain of the Debtors' existing lenders, noteholders, and equity holders). After considering the indications of interest and the various proposals, the Debtors were able to negotiate terms for a consensual transaction. The concurrent filing of these chapter 11 cases and the Restructuring and Support Agreement (the "RSA"), dated June 26, 2011, attached hereto as **Exhibit A** is the culmination of good faith negotiations by and among the Debtors and holders of an aggregate amount of over 95% of their 8.625% senior subordinated notes due 2012, holders of over 75% of their 11% senior discount notes due 2013 (such holders, collectively, the "Plan Support Parties").

7. The RSA contemplates a pre-arranged restructuring in chapter 11 through which the Debtor will remove approximately $150 million in debt from their prepetition balance sheet while paying general unsecured creditors in full. The Plan Support Parties have agreed to support a plan of reorganization (the "Plan") consistent with the Plan attached as Exhibit B to the RSA. To facilitate enforcement of the Plan, the Debtors have obtained commitments for a $200 million debtor-in-possession financing facility, which, together with cash on hand, will

provide the Debtors with sufficient liquidity to fund the administration of these chapter 11 cases and continue their day-to-day operations.

8. While the Debtors are working hard to maintain the stability of their businesses at this critical juncture, a prolonged stay in chapter 11 will undermine those efforts. As a result, the Debtors plan to file the Plan within a few days of the Petition Date and related disclosure statement (the "Disclosure Statement") within the next 20 days and seek authority to move forward with the solicitation and confirmation process swiftly. Given the lengthy and extensive negotiations between the Debtors' and their creditor constituencies prior to the filing of these chapter 11 cases, the Debtors believe their estates, their creditors, and all parties in interest will benefit from the swift consummation of their financial restructuring and hope to emerge from chapter 11 as quickly as possible.

9. To familiarize the Court with the Debtors and the relief the Debtors seek on the first day of these chapter 11 cases, this Declaration is organized as follows. Part I of this Declaration describes the Debtors' businesses and their capital structure. Part II of this Declaration details the circumstances surrounding the commencement of these chapter 11 cases. Finally, Part III of this Declaration sets forth the relevant facts in support of each First Day Motion.

I. The Debtors.

A. Overview of the Debtors' Corporate History and Business Operations.

1. The Debtors' Corporate History.

10. Nebraska Book Company, Inc. ("Nebraska Book") was founded in 1915 with a single bookstore near the University of Nebraska campus. Following World War II, when the supply of new textbooks could not meet the demand created by returning soldiers attending

college, Nebraska Book began buying books back from students at the end of the term and reselling them, thus becoming an integral part in the earliest years of the used textbook industry.

11. In 1964, Nebraska Book became a national, rather than a regional, wholesaler of used textbooks by acquiring The College Book Company of California. During the 1970's, Nebraska Book continued to focus on the wholesale business, however, throughout 1980's the Debtors expanded their efforts in the college bookstore market with the operation of primarily off-campus bookstores near larger campuses, typically where the institution-owned college bookstore was contract-managed by a competitor or where the Debtors did not have a significant wholesale presence. In the last several years, the Debtors revised their college bookstore strategy to expand their efforts in the contract-management of on-campus bookstores.

12. The Debtors continue to develop innovative strategies to remain at the forefront of the college bookstore industry, including pioneering new technology-savvy retail software with e-commerce capabilities and entering the textbook rental market. Today, the Debtors service the college bookstore industry through their bookstore, textbook, and complementary services divisions, each as described more fully below.

13. In an effort to remain a competitive player in the college services market, the Debtors include a diverse network of companies. Effective July 1, 2002, the Debtors' distance learning division was separately incorporated under the laws of the State of Delaware as Specialty Books, Inc., a wholly-owned subsidiary of Nebraska Book ("Specialty Books"). On January 1, 2005, the textbook division was separately formed under the laws of the State of Delaware as NBC Textbooks LLC, a wholly-owned subsidiary of Nebraska Book. On May 1, 2006, Nebraska Book added another wholly-owned subsidiary through the acquisition of all of the outstanding stock of College Book Stores of America, Inc. ("CBA"), an entity separately

formed under the laws of the State of Illinois. On April 24, 2007, Nebraska Book established Net Textstore LLC, a wholly-owned subsidiary separately formed under the laws of the State of Delaware. Finally, effective January 26, 2009, Nebraska Book established Campus Authentic LLC, a wholly-owned subsidiary separately incorporated under the laws of the State of Delaware.

14. On March 4, 2004, a group of jointly managed private equity funds, including Weston Presidio Capital III, L.P., Weston Presidio Capital IV, L.P., WPC Entrepreneur Fund, L.P., and WPC Entrepreneur Fund II, L.P. (collectively "Weston Presidio") gained a controlling interest in NBC Acquisition Corp. ("NBC"), and hence in Nebraska Book.

2. The Debtors' Operations.

15. The Debtors operate one of the largest wholesale distributions of used college textbooks in North America, offering over 105,000 textbook titles and selling over 6.3 million books annually, primarily to bookstores serving campuses located in the United States. The Debtors' principal executive offices are located in Lincoln, Nebraska. As of March 31, 2010, the Debtors employed approximately 1,300 full time employees, 800 part time employees, and 500 temporary workers. Since its founding in 1915, the Debtors have successfully adapted to the changing landscape of American colleges and universities, including the increase in student enrollment, and the advancement of technology and e-commerce. Today, the Debtors serve the college bookstore industry through the operation of three main divisions, their on- and off-campus bookstore locations (the "Bookstore Division"), their wholesale of textbooks business (the "Textbook Division"), and their various other products and services for the college bookstore market, including distance education services, bookstore management, e-commerce software development, and other services (collectively, the "Complementary Services

Division"). For the 12 months ended March 31, 2010, the Debtors generated approximately $605 million in total revenues.

a. The Bookstore Division.

16. As of December 31, 2010, the Debtors operated approximately 280 college bookstores on or adjacent to college campuses throughout the United States. The Debtors' bookstores include on-campus locations leased from the educational institution that they serve, as well as owned or leased off-campus bookstores. The Bookstore Division encompasses a number of operations, including: (a) selling and renting a wide variety of used and new textbooks; (b) selling assorted merchandise, including apparel, sundries, and gift items; (c) selling various technology items such as calculators and computers; and (d) selling general books. Over the past three fiscal years, bookstore revenues from activities other than used and new textbook sales and rentals have been between 16.6% and 17.4% of total revenues. The Debtors tailor each of their bookstores to fit the needs and lifestyles of each campus. While the individual managers have significant planning and managing responsibilities, the Debtors' staff also includes specialists to assist bookstore managers in store planning, merchandise purchasing, media buying, inventory control, and layout. In addition to in-store sales, the Debtors sell textbooks and other merchandise via the internet through each store's individual website as well as the Debtors' consolidated website, known as Neebo.com, and numerous third-party websites such as Amazon.com and Half.com.

17. The Debtors have enhanced the Bookstore Division within the last year by implementing a new focus on textbook rentals. Several years ago textbook rentals were uncommon, either online or in a bookstore. However, the availability and popularity of textbook rentals has rapidly increased with online companies such as Chegg, Inc. and BookRenter.com

leading that change. The college bookstore industry is quickly reacting to this new competition and the Debtors have been testing various textbook rental models for the past two years. As a result of that testing, the Debtors implemented the "Rent Every Book" model in the vast majority of their stores this past January. Given that the textbook rental model is in its nascent state, the Bookstore Division's full potential utilizing that model remains to be seen. However, with the "Rent Every Book" model, the Debtors remain a competitive and innovative player in the college bookstore arena.

18. In addition, the Debtors introduced a new website. Prior to implementing their new website, Neebo.com, the Debtors maintained over 250 separate web sites, each representing the inventory offered by the Debtors' bookstore serving a college or university where the Debtors had a brick–and–mortar store. However, the websites were not connected to each other so a customer on one web site could not access the inventory of the other Debtor bookstore locations. The Debtors had significant viewership on the individual websites, but were unable to leverage that volume—Neebo.com will allow the Debtors to better capitalize on that traffic volume.

19. Through the "Rent Every Book" initiative and Neebo.com, the Debtors' Bookstore division continues to adapt to the increasingly competitive marketplace and changes in customer demands. The Bookstore Division produced approximately $472 million in total revenues over the 12 months ended March 31, 2010.

b. The Textbook Division.

20. The Debtors also serve the college bookstore industry through their Textbook Division. The Textbook Division utilizes three avenues to effectively service the Debtors' customers and to remain a pioneer of the college bookstore industry. First, the Debtors engage in

the procurement and redistribution of used textbooks on college campuses primarily across the United States and through third-party websites. Second, the Textbook Division focuses on maintaining current catalogs of textbooks. The Debtors publish a buyer's guide which lists approximately 52,000 textbooks according to author, title, and price. The guide is an important part of the Debtors' inventory control and textbook procurement system. The Debtors maintain a staff dedicated to gathering information from all over the country to make the guide a comprehensive and up-to-date pricing and buying aid for college bookstores. Third, the Debtors maintain a database of approximately 174,000 titles to better serve their customers. For the 12 months ended March 31, 2010, the Textbook Division produced approximately $141 million in revenue.

c. The Complementary Services Division.

21. The Debtors further expanded their services through their Complementary Services Division. Among other things, the Complementary Services Division provides the Debtors with access to the market for distance education products and services. As of June 2010, the Debtors provided students at approximately 30 colleges and private high schools with textbooks and materials for use in distance education and other education courses, and provided textbooks to nontraditional programs. In addition, the Debtors offer services and specialty course materials to the distance education marketplace.

22. The Complementary Services Division also provides the Debtors' customers with access and services related to the Debtors' "turnkey" bookstore management software (the "Turnkey Software"). The Turnkey Software incorporates point of sale, inventory control, and accounting modules that collectively generate revenue. When utilized by third-party bookstores, the Turnkey Software assists the Debtors with developing and maintaining

relationships with those third-party bookstores, enhancing the Debtors' ability to gain access to new sources of used textbooks. In total, including the Debtors' own bookstores, almost 1,200 college bookstore locations use the Turnkey Software products. In addition, the Debtors have developed and deployed software for e-commerce capabilities. This software allows college bookstores to launch their own e-commerce sites to compete against other online textbook and general merchandise sellers by offering textbooks and both in-store and certain other virtual inventory online. As of June 2010, there were approximately 640 stores, including the Debtors own stores, licensing the Debtors' e-commerce technology through their e-commerce software CampusHub. Also, the Debtors offer a variety of other services to college bookstores, including distance education fulfillment, digital delivery solutions enabling college bookstores to offer students the option of purchasing E-books via download, and certain marketing, consulting, and buying group services. Through the Debtors' continued software innovation, the Debtors are able to adjust to the rapidly changing college bookstore landscape.

23. The Complementary Services Division generated approximately $35 million in revenue during the 12 months ended March 31, 2010.

3. The Debtors' Customers.

24. The Debtors have a broad and diversified customer base. The Debtors' college bookstores are located at college and university campuses of all sizes, including some of the country's largest campuses, such as Arizona State University, The Ohio State University, Michigan State University, Texas A&M University, University of Michigan, University of Nebraska, and Pennsylvania State University. In addition, the Textbook Division purchases from and resells used textbooks to independent third-party college bookstores at a variety of campus sizes, including the University of Virginia, Oregon State University, University of

Illinois, and the University of Southern California. In the fiscal year 2010, the Debtors' 25 largest Textbook Division customers accounted for approximately 2.7% of the fiscal year's consolidated revenues and no single Textbook Division customer accounted for more than 1.0% of the Debtors' fiscal year 2010 consolidated revenues.

25. The Debtors' distance education program is, among other things, a supplier of textbooks and educational material to students enrolled in online courses offered through approximately 30 colleges and private high schools. For the fiscal years ending in March 31, 2010, 2009, and 2008, one institution accounted for approximately 68%, 69%, and 63%, respectively, of distance education program revenues.

4. Competition.

26. Due to the diverse nature of the Debtors' business, the Debtors compete with a variety of companies and individuals, all of whom seek to provide products and/or services to the college marketplace. The Debtors' main corporate competitors, who provide products and services to colleges and universities, college bookstores, and directly to students include Follett Higher Education Group, Inc. ("Follett"), MBS Textbook Exchange, Inc. ("MBS"), and MBS' sister company, Barnes & Noble College Booksellers, LLC ("B&N, along with MBS "MBS/B&N"). In addition, competition continues to grow from websites that enable student-to-student transactions over the Internet and from online textbook rental companies, such as Chegg, Inc. and Bookrenter.com.

27. The Bookstore Division competes with Follett, MBS/B&N, and a number of smaller companies for the opportunity to contract-manage institutional on-campus college bookstores. As of June 2010, Follett and MBS/B&N managed more than 700 and 600 stores, respectively. In addition, the Bookstore Division competes with: (a) local bookstores located on

the individual campuses the Debtors serve, (b) other companies that rent or sell textbooks and e-books directly to students, (c) student-to-student transactions, and (d) course packs and electronic media such as on-line resources, e-books, print-on-demand textbooks, and CD-ROMs, which may replace or modify the need for students to purchase textbooks through the traditional college bookstore.

28. The Textbook Division also competes in the used textbook market, which includes the purchase and resale of used textbooks. Primarily, the Textbook Division competes in the wholesale business with Follett, MBS/B&N, and other smaller regional companies, including Budgetext Corporation, Texas Book Company, Tichenor College Textbook Company, and South Eastern Book Company. In addition, the Textbook Division competes with independent college bookstores that normally repurchase textbooks from students to be reused on that campus the following semester. Finally, the Textbook Division competes with student-to-student transactions and a number of individuals and companies that buy textbooks directly from students through e-commerce, bypassing the traditional college bookstores who are the Textbook Division's suppliers and customers.

29. The Complementary Services Division competes with many of the same companies, including MBS in the sale and installation of college bookstore information technology, as well as in the distance education textbook distribution market. In addition, the Debtors compete with college bookstores that provide their own e-commerce solutions in competition with CampusHub. Finally, the Debtors compete with a variety of smaller organizations and individuals involved in marketing and consulting services.

B. Overview of the Debtors' Capital Structure

30. As of December 31, 2010, the Debtors reported approximately $657.2 million in total assets in book value and approximately $564 million in total liabilities in book value. As of the Petition Date, the Debtors have approximately $450 million in indebtedness and related obligations, consisting of secured obligations of $216.4 million under their First Lien Revolving Credit Facility and Second Lien Notes, and unsecured obligations of $175 million under OpCo Notes, and additional AcqCo unsecured obligations of $77 million of AcqCo Notes (each as defined herein). These obligations are discussed in turn.

1. Secured Indebtedness.

a. First Lien Revolving Credit Facility.

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

32. The First Lien Facility provides the Debtors with an asset-based revolving credit facility with $75.0 million of maximum availability. Borrowings under the First Lien Facility are subject to the Eurodollar interest rate (with a 1.5% floor) plus an applicable margin ranging from 4.25% to 4.75% or a base interest rate. In addition, the applicable margin increases 1.5% during the time periods from April 15 to June 29 and from December 1 to January 29 of each year. As of the Petition Date, approximately $26.3 million was outstanding under the First Lien

Facility (including $3.7 million in issued and undrawn letters of credit). The interest rate as of the Petition Date was 8.25%.

33. The First Lien Facility is secured by a first priority interest in substantially all of the Debtors' property and assets, in addition to a pledge of all capital stock held by the Debtors. The First Lien Facility matures on the earlier of October 2, 2012 or 91 days prior to the earliest maturity of any current outstanding debt obligations. The Second Lien Notes mature on December 1, 2011; as a result the First Lien Facility matures 91 days prior, or on September 1, 2011.

b. Second Lien Notes.

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

c. Intercreditor Agreement

35. The Debtors, the First Lien Agent, and the Second Lien Notes Trustee are parties to that certain intercreditor agreement (the "Intercreditor Agreement"), dated as of October 2, 2009. The Intercreditor Agreement assigned relative priorities to claims arising under the First Lien Facility and the Second Lien Notes Indenture. The Intercreditor Agreement provides that claims arising under the Second Lien Notes Indenture are junior to claims arising under the First Lien Facility. The Intercreditor Agreement also imposes certain limitations on: (a) the rights and remedies available to the Second Lien Noteholders in an event of default under the Second Lien Notes Indenture; (b) the Second Lien Noteholders' ability to challenge the validity or priority of liens arising under the First Lien Facility; (c) the Second Lien Noteholders' ability to object to debtor-in-possession financing under section 363 or section 364 of the Bankruptcy Code provided or consented to by one or more of the First Lien Lenders; and (d) the extent to which the Second Lien Noteholders may be entitled to request adequate protection during a bankruptcy proceeding.

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

> If any Loan Party becomes subject to any Insolvency Proceeding at any time prior to the First Priority Obligations Payment Date, and if the First Lien Agent or the other First Lien Lenders desire to consent (or not object) to the use of cash collateral under the Bankruptcy Code or to provide financing to any Loan Party under the Bankruptcy Code or to consent (or not object) to the provision

> of such financing to any Loan Party by any third party (any such financing, "DIP Financing"), then the Second Priority Representative agrees, on behalf of itself and the other Second Lien Noteholders, that each Second Lien Noteholders:
>
> (a) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such DIP Financing,
>
> (b) will not request or accept adequate protection or any other relief in connection with the use of such cash collateral or such DIP Financing except as set forth in Section 5.4 below,
>
> (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Lien Noteholders' Liens on any Common Collateral (i) to such DIP Financing on the same terms as the First Lien Lenders' Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection provided to the First Lien Lenders and (iii) to any "carve-out" agreed to by the First Lien Agent or the other First Lien Lenders, and
>
> (d) agrees that notice received two calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice so long as (A) the Second Priority Representative retains its Lien on the Common Collateral to secure the Second Priority Obligations (in each case, including proceeds thereof arising after the commencement of the case under the Bankruptcy Code) and (B) all Liens on Common Collateral securing any such DIP Financing shall be senior to or on a parity with the Liens of the First Lien Agent and the First Lien Lenders on Common Collateral securing the First Priority Obligations."[2]

37. Section 5.4(a) of the Intercreditor Agreement provides that the Second Lien Noteholders will not contest the First Lien Lenders' ability to request adequate protection in a bankruptcy proceeding. Section 5.4(b) also provides that the Second Lien Noteholders will not contest any objections made by the First Lien Lenders to any motions based on a claim of a lack of adequate protection. Further, section 5.4(c) provides that the Second Lien Noteholders will

---

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

not contest the payment of any interest or fees owed to the First Lien Agent or the First Lien Lenders under section 506 of the Bankruptcy Code.

38. Section 5.4 of the Intercreditor Agreement also limits the Second Lien Noteholders' ability to request adequate protection of their security interests in the Debtors' assets. In particular section 5.4 provides that the only forms of adequate protection the Second Lien Noteholders may seek are: (a) subordinated replacement liens or (b) superpriority claims that are junior to the superpriority claims granted to the First Lien Lenders. Other Liens.

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

2. Unsecured Indebtedness.

a. OpCo Notes.

40. NBC, as borrower, and BNY Midwest Trust Company, as trustee, are parties to that certain indenture (the "OpCo Indenture"), dated as of March 4, 2004. Pursuant to the OpCo Indenture, NBC issued $175 million senior subordinated notes (collectively, the "OpCo Notes"). The OpCo Notes require semi-annual interest payments at a fixed rate of 8.625% and mature on March 15, 2012. The OpCo Notes are guaranteed by each of NBC's subsidiaries, but are unsecured. As of the Petition Date, the outstanding principal balance of the OpCo Notes was $175 million.

b. AcqCo Notes.

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

II. Events Leading to the Chapter 11 Cases.

A. Changing Market and Operational Initiatives.

42. The Debtors filed these chapter 11 cases after the Debtors' Bookstore Division suffered through several years of declining or stagnant levels of profitability, which in turn contributed to the Debtors' inability to fully refinance certain funded debt as it matures in 2011 and early 2012. While the Debtors' on-campus stores have maintained strong financial performance over the past several years, the Debtors' off-campus stores have struggled over the

same time period. This disparity is attributable, in large part, to advantages that the Debtors on-campus stores have when compared to the Debtors off-campus stores, including: better location, ties to the schools financial aid system, and school administration support. In addition, many of the Debtors' on-campus store customers are typically "convenience" shoppers, who value the ease of getting the right book at the right time with the least amount of time and effort expended on their part. In contrast, the Debtors' off-campus stores typically appeal to more price-conscious students who are willing to put forth more time and effort in obtaining their classroom materials. These "value shoppers" are willing to go through the trouble of comparison shopping and searching for used books, the historic value proposition for the Debtors' off-campus stores.

43. Given the difference between the Debtors' on- and off-campus shoppers, the competitive environment for the Debtors' off-campus stores has made it more difficult to maintain market share, which is reflected in the declining performance of the Debtors' off-campus stores. The Debtors believe that the relative decline of their off-campus stores' performance is due to a combination of on-line textbook sales and more recently, online rental programs, which have been successful in attracting "value shoppers," the Debtors' primary customers in the off-campus stores.

44. In response to this trend, the Debtors expended significant efforts to, among other things, improve the off-campus stores' online capabilities to both sell and acquire textbooks, improve the look and feel of these off-campus stores, and aggressively manage labor and other controllable costs. Despite those improvements, the Debtors' off-campus store performance continued to suffer, falling to $190 million in 2010. Specifically, the Debtors' EBITDA for their

off-campus stores peaked in 2008 at approximately $36 million, declined to approximately $31 million in 2009, and eventually fell to $19 million in 2011.

45. After further analyzing recent market trends, the Debtors determined that student demand for textbook rental was significantly increasing. In response, the Debtors implemented trial programs at a limited number of stores, and based on the positive results of that program, are currently implementing an extensive rental strategy at all of their brick-and-mortar stores, especially the Debtors' off-campus locations. The Debtors' off-campus stores historically have had large numbers of used textbooks to price aggressively and make the value proposition once again attractive to the value shopper. As discussed above, the Debtors' "Rent Every Book" model has shown significant promise and the Debtors are optimistic that their off-campus stores will rebound as a result. However, it will require some time for the new strategy to prove out.

B. Debt Maturity.

46. Unfortunately, the Debtors do not have sufficient time to fully implement the rental model without refinancing significant portions of their capital structure given (a) the imminent maturities of the First Lien Facility in September 2011 and the Second Lien Notes Indenture in December 2011, and (b) the possible change in credit terms from the new textbook publishers, who have indicated that they will require an up front cash payment for the large purchases to begin in July and August 2011 due to the uncertainty surrounding the Debtors' refinancing efforts and capital structure.

47. In response, the Debtors proactively undertook extensive efforts to position themselves for ongoing success in the current industry environment and right-size their capital structure. Initially, the Debtors' implemented a number of operational initiatives to improve earnings and their competitiveness, including cutting certain labor costs that ultimately will save

the Debtors' approximately $5 million over the next 12 months. In addition, the Debtors engaged a third-party operational consulting firm to analyze the Debtors' business practices and help implement inventory optimization models.

48. While these efforts will streamline the Debtors' business operations, they cannot alone prevent a liquidity shortfall. In late 2010, the Debtors recognized that, given their possible loss of trade credit to finance the acquisition of books during July, and August 2011 and the imminent maturity of approximately $275 million of debt shortly thereafter, they faced an impending liquidity crisis.

C. Refinancing.

49. To address the Debtors' imminent liquidity issue, the Debtors retained an investment banker, Rothschild, Inc. ("Rothschild"), and restructuring legal counsel, Kirkland & Ellis LLP, to potentially refinance certain of their debt obligations and, if necessary, engage creditors and other potential partners for a restructuring transaction. Beginning in January 2011, the Debtors and their advisors began an extensive review of strategic alternatives available in light of the Debtors' current operating environment and leverage constraints. The Debtors focused their initial efforts on refinancing all of the OpCo Notes debt obligations and seeking to extend the maturity of the Holdco Notes. However, lender demand was insufficient to support a refinancing transaction.

D. Party Discussions, Draft Plan, and the RSA.

50. Shortly after it became clear that an Opco refinancing transaction was not available, the Debtors and their advisors began discussing the preliminary terms of a potential balance sheet restructuring with their major stakeholders, including certain holders of the OpCo and AcqCo Notes and their respective advisors. Upon execution of customary confidentiality

agreements, the Debtors provided parties with information regarding the Debtors' operations, projections, and business plan to facilitate their ability to develop a potential restructuring plan or to otherwise constructively participate in the process. After good-faith, arm's-length negotiations, the Debtors reached an agreement with the Plan Support Parties with respect to a consensual restructuring on the terms set forth in the Plan, and formalized the agreement with the RSA.[3] The Debtors received an executed RSA from holders of an aggregate amount of over 95% of the OpCo Notes and (b) holders of over 75% of the AcqCo Notes that contemplates a comprehensive reorganization through a pre-arranged plan of reorganization.

51. In conjunction with the RSA, the Debtors have obtained commitments for the $200 million postpetition financing, $75 million of which is a revolving loan and $125 million of which is a term loan. This financing, together with cash flow from operations, will enable the Debtors to fund the administration of these cases, send a clear signal to their publisher and general merchandise vendors that they have sufficient liquidity to satisfy any outstanding obligations, and help pave the way to an expeditious and smooth exit from chapter 11.

52. The Debtors filed these chapter 11 cases to effectuate the terms of the RSA and Plan. Based on the RSA, the Debtors are prepared to file a plan of reorganization and related disclosure statement shortly after the filing of these chapter 11 cases. Indeed, because the Plan is based on a consensual deal with the Debtors' key stakeholders, contemplates a significant de-leveraging of the Debtors' balance sheet, and provides a full recovery to holders of general unsecured claims, confirmation of the Plan is expected to occur over a relatively short timeframe. Specifically, the Debtors and the Plan Support Parties have agreed that: (a) the Plan within 5

[3] A copy of the RSA is attached hereto as **Exhibit A** (including the Plan, which is attached as Exhibit B thereto) and incorporated by reference as though fully set forth herein.

days and Disclosure Statement must be filed within 20 days of the Petition Date; (b) the Disclosure Statement and accompanying solicitation materials must be approved and a hearing to confirm the Plan must be scheduled, within 55 days after the filing of the Plan; (c) the Plan must be confirmed within 60 days of the date on which the Disclosure Statement is approved (subject to a 14-day extension under certain circumstances); and (d) and the Plan must become effective within 16 days of the confirmation date (subject to a 14-day extension under certain circumstances).

53. As noted above, the Debtors have filed these chapter 11 cases to implement a Plan in accordance with the draft Plan attached to the RSA as Exhibit B. Among other things, the draft Plan provides that:[4]

- Claims under the First Lien Facility shall be paid in full in cash or otherwise unimpaired.
- To the extent that holders of Second Lien Notes agree to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class 2, each such Holder shall be paid in full in Cash.[5]
- Claims under the Opco Notes will be allowed in an aggregate amount equal to approximately $175 million. In satisfaction of each claim under the 8.625% Notes, each holder thereof shall receive its pro rata share of: (a) a $30.6 million cash payment from the proceeds of new second lien secured notes to be issued by Nebraska Book; (b) the new unsecured notes with a face value of $120 million; and (c) 78% of the New Common Equity.

---

4 The following summary is provided for convenience only and is qualified in its entirety by reference to the draft Plan. In the event of an inconsistency between this summary and the draft Plan, the draft Plan shall control in all respects.

5 The Second Lien Notes Indenture contemplates a "makewhole" payment if the Debtors satisfy the notes before maturity. The "makewhole" amount changes on a day-to-day basis, and may not be payable after the Petition Date.

- Claims under the Acqco Notes will be allowed in an aggregate amount equal to approximately $77 million. In satisfaction of each claim under the AcqCo Notes, each holder thereof shall receive its pro rata share of 22% of the New Common Equity.

- Trade creditors and all other general unsecured claims will be paid in full.

- The Debtors' existing equity interests shall be cancelled and holders may be issued New Warrants if Weston Presidio and each of its affiliates which are Holders of HoldCo Interests either (i) executes a joinder to the Plan Support Agreement which binds at least 90% in amount of the Holdco Interests to support the Restructuring Transactions, or (ii) does not object to the Plan evidencing the Restructuring and votes to accept the Plan.

The Plan results in a full recovery by trade creditors and other general unsecured creditors (other than the OpCo and AcqCo notes). As a result, the Debtors believe that the consummation of the Plan is a remarkable result under the circumstances and will result in the highest possible recoveries for all stakeholders.

III. First Day Motions.

54. To minimize the adverse effects of the commencement of these chapter 11 cases on their business, the Debtors have requested various types of relief in their First Day Motions.[6] The First Day Motions seek relief intended to allow the Debtors to effectively transition into chapter 11 and minimize disruption to the Debtors' operations caused by their bankruptcy filings, thereby preserving the value of the Debtors' estates for the benefit of their stakeholders. I am familiar with the contents of each First Day Motion (including the exhibits thereto), and I believe that the relief sought in each First Day Motion: (a) is necessary to enable the Debtors to operate in chapter 11 with minimal disruption or loss of value; (b) is necessary to provide the Debtors with a reasonable opportunity for a successful reorganization; and (c) best serves the interests of

6 Capitalized terms used but not defined herein shall have the meanings set forth in the relevant First Day Motion.

the Debtors' stakeholders. The following paragraphs describe the factual bases for the relief requested in each of the First Day Motions.

A. Matters Requested to Be Heard at First Day Hearing.

1. Joint Administration Motion.

55. The Debtors request entry of an order directing joint administration of these chapter 11 cases for procedural purposes only pursuant to Bankruptcy Rule 1015(b). Specifically, the Debtors request that the Court maintain one file and one docket for all of these chapter 11 cases under the case of lead Debtor Nebraska Book Company, Inc. Further, the Debtors request that an entry be made on the docket of each of the cases of the Debtors other than Nebraska Book Company, Inc., to indicate the joint administration of these chapter 11 cases.

56. Given the integrated nature of the Debtors' operations, joint administration of these chapter 11 cases will provide significant administrative convenience without harming the substantive rights of any party in interest. Many of the motions, hearings, and orders that will be filed in these chapter 11 cases will almost certainly affect each of the Debtors. The entry of an order directing joint administration of these chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections and will allow the U.S. Trustee and all parties in interest to monitor these chapter 11 cases with greater ease and efficiency.

57. The relief requested in the Joint Administration Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Joint Administration Motion should be granted.

2. DIP Motion.

58. The Debtors request entry of interim and final orders approving post-petition debtor in possession financing, which among other things, provides the Debtors with the following relief: (a) authorizing the Debtors to obtain postpetition financing on a senior secured, priming, superpriority basis; (b) authorizing the Debtors to use Cash Collateral; (c) granting adequate protection to certain Prepetition Secured Lenders for the priming of their existing liens on the Prepetition Collateral and the Debtors' use of Cash Collateral; and (d) scheduling a final hearing to consider entry of the Final DIP Order.

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

60. Once it became clear that an out-of-court refinancing was not possible, the Debtors and their advisors entered into extensive, arm's-length negotiations with the First Lien Agent regarding the terms of a potential debtor-in-possession financing, due to First Lien Agent's extensive knowledge of the Debtors' business and extensive experience with asset-backed revolving credit facilities, to ensure that the Debtors have sufficient liquidity to continue operations and to preserve the value of their estates. The First Lien Agent's strong syndication desk gave the Debtors comfort that the universe of potential participants in the DIP Facility

would be well-canvassed, thereby providing for competition among potential participants and more favorable terms for the Debtors' DIP Facility.

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

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

63. The Debtors need the funds provided under the DIP Facility to preserve the value of their estates for the benefit of all creditors and other parties of interest. This financing will help enable the Debtors to fund the administration of these cases and help pave the way to an expeditious and smooth exit from chapter 11. The college and university semester and quarterly schedules drive the Debtors' business cycle and require the Debtors to make large orders and receive large shipments of new textbooks and general merchandise between mid-June and August each year in advance of the "back-to-school" rush. The Debtors' general merchandise vendors and the publishers allow the Debtors to purchase textbooks and other merchandise on

trade credit. The Debtors' ability to procure the needed textbooks on these beneficial terms, however, is entirely based on the Debtors' liquidity and the perception of the Debtors' ability to re-pay publishers and general merchandise vendors for providing textbooks and merchandise on credit. Absent the postpetition financing the Debtors may be unable to operate their business or successfully reorganize under chapter 11, and may be forced to immediately shut down their operations, which I believe will threaten the Debtors' going concern value. I believe that providing the Debtors with the liquidity necessary to preserve their going concern value through the pendency of these chapter 11 cases is in the best interest of all stakeholders.

64. The DIP Facility will provide the Debtors with immediate access to $125 million in postpetition financing, which the Debtors and their advisors have independently determined is sufficient and necessary to allow the Debtors to maintain their operations and their relationships with key constituents notwithstanding the commencement of these chapter 11 cases. Further, the DIP Facility provides the Debtors with use of the cash collateral, which will maintain the Debtors' ability to access liquidity in the same accounts as prior to the Petition Date, without the disruption or delay that would result if the Debtors were required to set aside that cash and re-fund their accounts with new postpetition borrowings. Accordingly, the terms of the DIP Facility are reasonable and adequate to support the Debtors' operations and restructuring activities through the pendency of these chapter 11 cases.

65. The DIP Facility satisfies all of the requirements of section 5.2 of the Intercreditor Agreement. Because the First Lien Lenders are providing the DIP Facility, section 5.2(a) of the Intercreditor Agreement prohibits the Second Lien Noteholders from objecting to the DIP Facility or requesting adequate protection, except as specifically provided for in the Intercreditor Agreement. In addition, the First Lien Lenders' liens and the Second Lien Noteholders' liens

will both be subordinated to the new DIP Facility liens, as required by section 5.2(c) of the Intercreditor Agreement. Thus, the Second Lien Noteholders are deemed to consent to the Debtors' access to the DIP Facility and the Debtors' use of Cash Collateral.

66. In addition, the Debtors and the Ad Hoc Group negotiated the terms of the Adequate Protection Stipulation prior to the Petition Date. Pursuant to the Adequate Protection Stipulation, the Ad Hoc Group agreed to direct the Second Lien Notes Indenture Trustee to accept, and not object, to the Debtors providing the Adequate Protection for in the Interim DIP Order to the Prepetition Secured Lenders.

67. To prevent immediate and irreparable harm to the Debtors' business, I believe that the relief requested in the DIP Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and is necessary for the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the DIP Motion should be granted.

3. Cash Management Motion.

68. The Debtors request authority to: (a) continue to use their Cash Management System; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) open new debtor in possession accounts or close existing Bank Accounts, if needed; and (d) use, in their present form, all correspondence and business forms (including, letterhead, blank check stock, purchase orders, and invoices), and other documents related to the Bank Accounts existing immediately before the date hereof, without reference to their status as debtors in possession.

69. The Debtors further request that the Court authorize the Banks at which they maintain the Bank Accounts to: (a) continue to maintain, service, and administer the Bank

Accounts; (b) debit or credit the Bank Accounts in the ordinary course of business on account of (i) checks drawn on the Bank Accounts that are presented for payment at the Banks or exchanged for cashiers' checks prior to the Petition Date, and (ii) checks or other items deposited in the Bank Accounts prior to the Petition Date that have been dishonored or returned unpaid for any reason (including associated fees and costs), to the same extent the Debtors were responsible for such items prior to the Petition Date.

70. Given the complexity of the Cash Management System, I believe that if the Debtors were required to comply with the guidelines established by the Office of the United States Trustee, the burden of opening new bank accounts, revising cash management procedures, and the immediate ordering of new business forms with a "Debtor In Possession" legend, would severely disrupt the Debtors' businesses and cause additional confusion, delay, and cost at this critical time.

71. The Debtors use an integrated, centralized Cash Management System under which the Debtors collect and disburse funds in the ordinary course of business. As of Petition Date, the Cash Management System consists of approximately 333 Bank Accounts. The Debtors' primary banks are Wells Fargo Bank, N.A. and M&I Bank. In addition, because most of their stores deposit cash receipts, the Debtors maintain accounts at Banks other than the Primary Banks.

72. The Cash Management System has three main components: (a) cash collection, including the collection of payments made to the Debtors by their customers; (b) cash concentration; and (c) cash disbursements to fund the Debtors' operations, primarily consisting of (i) payments to vendors and service providers to ensure a steady supply of products available

for purchase by the Debtors' rental and wholesale customers, (ii) payments to individuals who buyback used textbooks from students, and (iii) payments to fund payroll.

73. To prevent immediate and irreparable harm to the Debtors' business, I believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Cash Management Motion should be granted.

4. KCC Retention Application.[7]

74. The Debtors seek to retain Kurtzman Carson Consultants LLC ("KCC") as notice and claims agent. I believe that by retaining KCC in these chapter 11 cases, the Debtors' estates, and particularly their creditors, will benefit from KCC's service. KCC has developed efficient and cost-effective methods in its area of expertise. It is my understanding that KCC is fully equipped to handle the volume of mailing involved in properly sending the required notices to creditors and other interested parties in the chapter 11 cases and, therefore, I respectfully submit that the KCC Retention Application should be approved.

5. Wages Motion.

75. The Debtors request the entry of an order authorizing, but not directing, the Debtors to pay prepetition claims, to honor obligations, and to continue programs, in the ordinary course of business and consistent with past practices, relating to the Employee Obligations.

76. As of the Petition Date, the Debtors employ approximately 2,500 employees. Although the Debtors have paid their wages, salary, and other Employee Obligations in

---

7 Other than their notice and claims agent, the Debtors do not seek authority to retain their professionals on a first day basis.

accordance with their ordinary compensation schedule prior to the Petition Date, as of the date hereof, certain prepetition Employees Obligations may nevertheless be due and owing.

77. I believe the majority of the Debtors' Employees rely exclusively on their compensation, benefits, employee programs, and reimbursement of expenses provided by the Debtors to satisfy their daily living expenses. Consequently, these Employees will be exposed to significant financial difficulties if the Debtors are not permitted to honor obligations to the Employees for unpaid compensation, benefits, and reimbursable expenses. Moreover, if the Debtors are unable to satisfy such obligations, Employee morale and loyalty will be jeopardized at a time when Employee support is critical. In the absence of such payments, the Debtors' Employees may seek alternative employment opportunities, perhaps with the Debtors' competitors, thereby hindering the Debtors' ability to meet their customer obligations, and likely diminishing customer confidence in the Debtors. It is my opinion that the loss of valuable Employees and the recruiting efforts that would be required to replace such Employees would be a massive and costly distraction at a time when the Debtors must focus on restructuring their operations and balance sheets.

78. I believe that the relief requested in the Wages Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Thus, to prevent immediate and irreparable harm to the Debtors' business, I respectfully submit that the relief requested in the Wages Motion should be granted.

6. Customer Programs Motion.

79. The Debtors seek entry an order authorizing the Debtors to maintain and administer the Customer Programs (as defined in the Customer Programs Motion) and to honor,

in the ordinary course of business, approximately $24.1 million in prepetition commitments owing on account of the Customer Programs, including rebates, returns and exchanges, rewards, rental partnerships, payments to colleges and universities, gift certificates, and loyalty cards. The Debtors operate in a highly competitive industry and must actively cultivate customer support and ensure that they are able to respond to their customers' needs. The Debtors have entered bankruptcy to effectuate a balance sheet restructuring, thus I believe that it is essential that the Debtors quickly assure customers that the goods and services that they have come to expect from the Debtors will continue uninterrupted as a result of the Debtors' restructuring.

80. The Customer Programs generate customer loyalty and goodwill, increase the Debtors' competitive position, and ensure customer satisfaction. The loyalty and continued patronage of the Debtors' customers is critical to the Debtors' financial health and their ability to reorganize as a going concern. Absent authority to continue the Customer Programs in the ordinary course of business, customers may feel that the Debtors are no longer offering a level of service on par with that of the Debtors' competitors, inevitably leading to customer attrition due to the highly competitive nature of the used textbook industry. Additionally, I believe these programs help stave off fierce competition from competitors who will continue to pursue relationships with the Debtors' customers. Moreover, any loss of customers caused by failure to honor the Customer Programs will damage the Debtors' core business to a far greater extent than the costs associated with honoring prepetition obligations and continuing such practices.

81. Thus, to prevent immediate and irreparable harm to the Debtors' customer base, I believe that the relief requested in the Customer Programs Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of

the Debtors, I respectfully submit that the relief requested in the Customer Programs Motion should be granted.

7. Taxes Motion.

82. The Debtors request authority to pay any Taxes and Fees that accrued or arose in the ordinary course of business prior to the Petition Date. In the ordinary course of business, the Debtors incur and collect certain Taxes and Fees and remit such Taxes and Fees to various Authorities, including Sales and Use Taxes, Franchise and Income Taxes, Vehicle Registration Fees, Real and Personal Property Taxes, and Business License Fees. The Debtors must continue to pay the Taxes and Fees to continue operating in certain jurisdictions and to avoid costly distractions during these chapter 11 cases. Specifically, it is my understanding that the Debtors' failure to pay the Taxes and Fees could adversely affect the Debtors' business operations because the Authorities could suspend the Debtors' operations, attempt to file liens, or seek to lift the automatic stay. In addition, certain Authorities may take precipitous action against the Debtors' directors and officers for unpaid Taxes, which undoubtedly would distract those key employees from their duties related to the Debtors' restructuring.

83. Thus, to prevent immediate and irreparable harm to the Debtors' business, I believe that the relief requested in the Taxes Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Taxes Motion should be granted.

8. Shippers Motion.

84. The Debtors request the entry of an order (a) authorizing the Debtors to grant administrative expense priority under section 503(b) of the Bankruptcy Code to all undisputed

obligations of the Debtors for goods ordered prepetition and delivered postpetition and authorizing the Debtors to satisfy such obligations in the ordinary course, and (b) authorizing, but not directing, the Debtors to pay prepetition claims of Shippers, Warehousemen, and Materialmen. Prior to the Petition Date, the Debtors ordered goods for which delivery will not occur until after the Petition Date. As a result of the commencement of these chapter 11 cases, suppliers may be concerned that the goods ordered prior to the Petition Date will render the suppliers general unsecured creditors of the Debtors' estates with respect to such goods. As a result, the Suppliers may refuse to ship or transport such orders unless the Debtors issue substitute purchase orders postpetition or the Court permits the Debtors to meet their obligations under the Outstanding Orders.

85. In addition, the Debtors contract with a number of counterparties for the acquisition of goods necessary for the day-to-day operation of the Debtors' business. Such items include (most importantly) textbooks, as well as computer components, e-commerce software, office supplies, packing materials for customers, and other merchandise. Timely delivery of these items is vital to the Debtors' efforts to stock their on-campus and off-campus bookstores and to maintain quality standards under their management and operating agreements.

86. The Debtors store their textbooks and other inventory in secure offsite storage space with certain warehouse facilities. The availability of these warehoused goods is critical to the Debtors' ongoing efforts to maintain and to improve their properties. In particular, any efforts by the Debtors to successfully cure defaults under their management and operating agreements with respect to property improvement requirements will likely require unfettered access to the warehoused inventory. Finally, the Debtors do business with a number of third parties who could potentially assert liens against the Debtors and their property for amounts the

Debtors owe to those third parties, including mechanic's liens and materialmen's liens. The Debtors must have continued access to their property during these chapter 11 cases and, therefore, believe it is appropriate to have authority to satisfy such obligations, to the extent they determine satisfaction is necessary.

87. To prevent immediate and irreparable harm to the Debtors' business, I believe that the relief requested in the Shippers Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Shippers Motion should be granted.

9. Critical Vendor Claims Motion.

88. The Debtors request entry of an order authorizing the Debtors to pay, in their sole discretion, (a) Critical Vendor Claims and (b) Section 503(b)(9) Claims. The college and university semester and quarterly schedules drive the Debtors' business cycle and require the Debtors to make large orders and receive large shipments of new textbooks and general merchandise between late-June and August in advance of the "back-to-school" rush. To be clear, the Debtors are not seeking authority to pay all prepetition trade claims at this time. Rather, the Debtors seek authority by the Critical Vendor Claims Motion to pay only certain prepetition trade claims that are necessary to maintain business operations without interruption while in chapter 11 and to ensure the Debtors' survival as a going concern.

89. The Debtors' trade relationships with their Critical Vendors are not generally governed by long-term contracts, thus, the Debtors believe that they may materially deteriorate causing disruption to the Debtors' operations if the Debtors are unable to pay Critical Vendor Claims as provided herein. In addition, certain Critical Vendors have small operations with

limited access to working capital and may be highly dependent upon the Debtors' business for a substantial portion of their revenues. The failure to pay certain Critical Vendor Claims could result in Critical Vendors either filing their own bankruptcy cases or ceasing operations altogether. These Critical Vendor candidates generally include:

- Publishers: The Debtors purchase their supply of new textbooks from two subsets of Publishers. First, the Debtors rely on hundreds of large Publishers who provide numerous textbook titles required by the Debtors at their on- and off-campus stores. Second, the Debtors buy textbooks from certain Publishers that print only a small number of titles or even a single textbook, which provide the Debtors with rare and uncommon textbooks requested by professors. Both groups of the Publishers are sole-source providers for the textbooks they print. Furthermore, in the aggregate, $216.5 million of the Debtors' revenues or 34% is derived from new textbook sales from these Publishers, all of which could be lost if the Publishers refuse to ship textbooks to the Debtors.

- General Merchandise Vendors: The Debtors also rely on a core group of vendors for numerous items the Debtors sell in their on-campus bookstores, including backpacks, binders, notebooks, folders, food, required tools for technical colleges, apparel vendors and licensing counterparties for "sideline" apparel (official school apparel bearing each school's officially licensed logos and marks), and other related items. These vendors are essential to the continued operation of the Debtors' stores and also enable the Debtors to maintain the individual school offerings in each of their retail on- and off-campus stores. In the aggregate, $79.8 million of the Debtors' revenues or 12.48% is derived from general merchandise and apparel sales from these General Merchandise Vendors, all of which would disappear if the General Merchandise Vendors refuse to ship general merchandise and clothing and apparel to the Debtors.

- Systems Vendors: The Debtors offer for license or purchase technology solutions that are custom-made systems running on very specific hardware to their wholesale textbook customers. Customers purchasing these solutions from the Debtors are required to also purchase from a list of approved computer brands and models provided from a core group of vendors.

- Construction Services Providers: In an attempt to uniformly design their campuses, certain colleges and universities require the Debtors to use only certain architectural service firms for on-campus remodel projects. If the Debtors do not use the required Construction Services Providers, they will be in violation of their contracts with those certain colleges and universities. Any violation of the terms of the contracts with the colleges and universities may result in termination of those contracts, and the Debtors would lose the ability to manage many college

bookstores, a significant loss of revenue and jobs and ultimately value for creditors.

90. The second category of prepetition claims the Debtors seek authority to pay in the ordinary course of business are Section 503(b)(9) Claims—claims on account of goods received by the Debtors within 20 days prior to the Petition Date. The creditors holding such claims are entitled to request payment as an administrative expense under section 503(b)(9) of the Bankruptcy Code on account of such goods. During June, July, and August of each year, the Debtors' primary expenditures are for textbooks and general merchandise in advance of the back-to-school rush. As a result, a substantial portion of Section 503(b)(9) Claims are held by Critical Vendors.

91. I believe that if the Debtors fail to honor their prepetition obligations to the Critical Vendors, including those with Section 503(b)(9) Claims, the Critical Vendors may permanently deny the Debtors access to essential goods or services or be forced to locate alternative sources of such (which may not be, and in the case of the Publishers are not, readily available), thereby incurring additional expenses and delays and jeopardizing key customer relationships. Especially, in the context of textbook sales, disruption at any point of the Debtors' business model would spell disaster for the Debtors' operations.

92. Non-payment of Critical Vendor Claims that are currently outstanding or will become due and payable could jeopardize key relationships and undermine the Debtors' efforts to reorganize. It is imperative that the Debtors send a clear message to their essential business partners and customers by paying the Critical Vendor Claims as provided herein to secure their access to the goods and services upon which the Debtors rely, thereby preserving the Debtors' ability to retain customers and maintain their vast selection of textbooks.

93. In addition, any disruption to the relationship with the Publishers will drastically affect the ability of the Debtors to satisfy their obligations under the agreements allowing the Debtors' to operate the various on-campus bookstores and to compete with other on-campus and on-line textbook businesses. The Debtors' operations would cease in dramatic fashion, causing an inevitable loss of jobs, revenue, and ultimately value for creditors, if they are unable to procure textbooks from the Publishers. The inability of the Debtors to secure required textbooks from the Publishers would cause immediate and irreparable harm to the Debtors' reputation and ability to reorganize as a going-concern. As of the Petition Date, the Debtors estimate that they owe a substantial amount on account of the prepetition claims owed to the Publishers. The Debtors, however, also have outstanding credit requests that can be used against the outstanding balance owed to the Publishers. The Debtors are making their best efforts to receive the benefit of 100% of those credit requests, however, request authority, but not direction, to pay the Publishers the full amount in the Debtors' business judgment to ensure the Publishers continue to fill the Debtors' textbook orders.

94. Thus, to prevent immediate and irreparable harm to the Debtors' business, I believe that the relief requested Critical Vendors Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and is necessary for the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Critical Vendors Motion should be granted.

10. Utilities Motion.

95. By the Utilities Motion, the Debtors request entry of an interim and final orders: (a) determining that the Utility Providers have been provided with adequate assurance of

payment within the meaning of section 366 of the Bankruptcy Code; (b) approving the Debtors' proposed offer of adequate assurance and procedures governing the Utility Providers' requests for additional or different adequate assurance; (c) prohibiting the Utility Providers from altering, refusing, or discontinuing services on account of prepetition amounts outstanding and on account of any perceived inadequacy of the Debtors' proposed adequate assurance pending entry of the final order; and (d) determining the Debtors are not required to provide any additional adequate assurance beyond what is proposed by the Utilities Motion, pending entry of the Final Order.

96. In the ordinary course of business, the Debtors incur utility expenses for electric, gas, water, telephone, Internet, and other similar utility services provided by approximately 336 utility providers. I believe that uninterrupted utility services are essential to the Debtors' ongoing operations. Additionally, any interruption of utility services, even for a brief period of time, likely would negatively affect the Debtors' reorganization efforts. Therefore, it is critical that utility services continue uninterrupted during these chapter 11 cases.

97. I believe that the proposed procedures are necessary in these chapter 11 cases because, if such procedures are not approved, the Debtors could be forced to address numerous requests by the Utility Providers for adequate security in a disorganized manner during the critical first weeks of these chapter 11 cases. Moreover, absent the relief sought in the Utilities Motion, a Utility Provider could blindside the Debtors by unilaterally deciding—on or after the 30th day following the Petition Date—that it is not adequately protected and threaten to discontinue service or make an exorbitant demand for payment to continue service. Discontinuation of utility service could essentially shut down operations, and any significant disruption of operations could put these chapter 11 cases in jeopardy.

98. Thus, to prevent immediate and irreparable harm to the Debtors' business, I believe that the relief requested in the Utilities Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate their businesses in chapter 11 without disruption. Accordingly, I respectfully submit that the relief requested in the Utilities Motion should be granted.

B. Matters Requested to be Scheduled For Future Hearing.

1. Kirkland Retention Application.

99. The Debtors seek to retain Kirkland & Ellis LLP ("Kirkland") as their restructuring attorneys. Kirkland has extensive experience and knowledge in, and an excellent reputation for providing high-quality legal services in the field of debtor protections, creditor rights, and business reorganizations under chapter 11 of the Bankruptcy Code. In preparing for these chapter 11 cases, Kirkland has become familiar with the Debtors' business and the legal issues that may arise in these chapter 11 cases. I believe that Kirkland is well-qualified and uniquely able to represent the Debtors in these chapter 11 cases and respectfully submit that the Kirkland Retention Application should be approved.

2. Rothschild Retention Application.

100. The Debtors seek to retain and employ Rothschild, Inc. ("Rothschild") as their financial advisor and investment banker because, among other things, Rothschild has extensive experience in, and an excellent reputation for, providing high-quality investment banking and financial advisory services to debtors in bankruptcy reorganizations and other restructurings. Broadly speaking, Rothschild will assist in the evaluation of strategic alternatives and render investment banking services to the Debtors in connection with their ongoing restructuring efforts. For these reasons, the Debtors require the services of a capable and experienced

investment bank and financial advisor such as Rothschild. Rothschild has been providing the Debtors with financial advisory services since January 2011, and has played a key role in negotiations with the Debtors' key constituencies in preparation for these chapter 11 cases. I believe that Rothschild is well-qualified to address the complex financial issues that the Debtors are likely to confront during these chapter 11 cases and respectfully submit that the Rothschild Retention Application should be approved.

3. AlixPartners Retention Application.

101. The Debtors seek to retain and employ AlixPartners LLP ("AlixPartners") as their restructuring advisor based upon, among other things, (a) the Debtors' need to retain a restructuring advisory firm to provide advice with respect to the Debtors' restructuring efforts and (b) AlixPartner's professional standing, excellent reputation, and wealth of experience in providing restructuring advisory services in complex restructurings. AlixPartners has been providing the Debtors with restructuring advisory services since May 2011 and has assisted in preparation of these chapter 11 cases. I believe that AlixPartners is well-qualified to address the complex issues that the Debtors are likely to confront during the chapter 11 cases and respectfully submit that the AlixPartners Retention Application should be approved.

4. Deloitte Retention Application.

102. The Debtors seek to retain and employ Deloitte & Touche LLP ("Deloitte") as their auditor based upon, among other things, Deloitte's considerable expertise in the field. I believe that Deloitte is well-qualified to perform audit and quarterly review services related to the Debtors' public financial reporting with the Securities and Exchange Commission, as well as tax consultation services needed by the Debtors and respectfully submit that the Deloitte Retention Application should be approved.

5. OCP Motion.

103. The Debtors request authority to retain and compensate professionals used in the ordinary course of their businesses. The Debtors retain various attorneys in the ordinary course of their businesses (each, an "OCP" and, collectively, the "OCPs"). The OCPs provide legal services to the Debtors in a variety of matters unrelated to these chapter 11 cases, including providing legal services related to specialized areas of the law.

104. Due to the number of OCPs that are regularly retained by the Debtors, I believe it would be unwieldy and burdensome to both the Debtors and the Court to request each such OCP to apply separately for approval of its employment and compensation. While I believe that some OCPs may wish to continue to represent the Debtors on an ongoing basis, others may be unwilling to do so if the Debtors cannot pay them on a regular basis. Without the background knowledge, expertise, and familiarity that the OCPs have relative to the Debtors and their operations, the Debtors undoubtedly would incur additional and unnecessary expenses in educating replacement professionals about the Debtors' business and financial operations. Moreover, I believe that the Debtors' estates and their creditors are best served by avoiding any disruption in the professional services that are required for the day-to-day operation of the Debtors' business.

105. I believe that the continued retention and compensation of the OCPs is in the best interests of the Debtors' estates, creditors, and other parties in interest, and that the Ordinary Course Professionals Motion should be granted. Thus, to prevent immediate and irreparable harm to the Debtors' business, I respectfully submit that the relief requested in the OCP Motion should be granted.

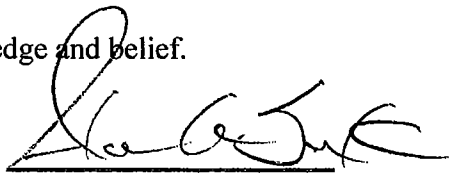
6. Interim Compensation Procedures Motion.

106. The Debtors request authority to establish procedures for the interim compensation and reimbursement of expenses for Professionals and Committee Members. I believe that establishing orderly procedures for addressing issues related to payment of Professionals and Committee Members will streamline the administration of these chapter 11 cases and otherwise promote efficiency for the Court, the U.S. Trustee, and all parties in interest. I also believe that the Compensation Procedures Motion will permit the Debtors to manage payments efficiently to the Professionals and Committee Members and will allow all parties to monitor appropriately the cost of administration of these chapter 11 cases. Accordingly, I believe the approval of the Compensation Procedures Motion is in the best interests of the Debtors' estates, creditors, and other parties in interest and respectfully submit that the relief requested in the Compensation Procedures Motion should be granted.

[Remainder of Page Intentionally Left Blank]

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

Dated: June 21, 2011

By: 

Alan G. Siemek
Chief Financial Officer
Nebraska Book Company, Inc.

EXHIBIT A

Restructuring and Support Agreement

RESTRUCTURING AND SUPPORT AGREEMENT

This RESTRUCTURING AND SUPPORT AGREEMENT (this "**Agreement**")[1] is made and entered into as of June 26, 2011, by and among: (i) Nebraska Book Company, Inc. ("**NBC**"); Campus Authentic LLC; College Bookstores of America, Inc.; NBC Acquisition Corp. ("**NBC Acquisition Corp.**"); NBC Holdings Corp. ("**NBC Holdings**"); NBC Textbooks LLC; Net Textstore LLC; and Specialty Books, Inc. (collectively, the "**Company**"); (ii) the undersigned holders of NBC's 8.625% Notes (each such holder, a "**Consenting 8.625% Noteholder**"); and (iii) the undersigned holders of NBC's 11.0% AcqCo Notes (each such holder, a "**Consenting AcqCoNoteholder**") (each of the foregoing, a "**Party**" and, collectively, the "**Parties**"). Each Consenting 8.625% Noteholder and each Consenting AcqCo Noteholder (collectively, the "**Consenting Parties**") shall be referred to herein as the "**Plan Support Parties**."

RECITALS

WHEREAS, the Company and the Plan Support Parties are negotiating restructuring and recapitalization transactions (collectively, the "**Restructuring Transactions**"), pursuant to the terms and conditions set forth in the Plan of Reorganization and in this Agreement, with respect to the capital structure of the Company, including: (a) the Company's obligations under (i) NBC's 8.625% Notes and (ii) NBC's AcqCo Notes (collectively, the "**Claims**"); and

WHEREAS, the Company intends to implement a restructuring that implements and is otherwise materially consistent with the terms and conditions set forth in the Plan of Reorganization and in this Agreement by (i) consummating an out-of-court restructuring (an "**Out-of-Court Restructuring**") or (ii) commencing voluntary cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101—1532 (the "**Bankruptcy Code**"), in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") to effect the Restructuring Transactions pursuant to the Plan of Reorganization and any and all amendments to the Plan of Reorganization shall be reasonably satisfactory to the Consenting Parties, *provided, however* that any amendments to the Plan of Reorganization that will affect the nature, value, or form of the recovery to (a) the Holders of 8.625% Notes, shall be satisfactory to the Consenting 8.625% Noteholders, and (b) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders (an "**In-Court Restructuring**" and, together with an Out-of-Court Restructuring, the "**Restructuring**").

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

---

1 Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the prearranged chapter 11 plan of reorganization (the "**Plan of Reorganization**"), which shall be in form and substance materially consistent with the draft Plan of Reorganization attached hereto as **Exhibit B**.

AGREEMENT

Section 1. ***Agreement Effective Date.*** This Agreement shall become effective and binding upon each of the Parties at 12:01 a.m., prevailing Eastern Time, on the first day immediately following the date on which:

(a) the following conditions have been satisfied: (i) the Company has executed and delivered counterpart signature pages of this Agreement to counsel to the Consenting 8.625% Noteholders, and to counsel to the Consenting AcqCo Noteholders; (ii) holders of (A) at least two-thirds in amount in the event of an In-Court Restructuring or (B) 100% in amount in the event of an Out-of-Court Restructuring of outstanding 8.625% Notes Claims shall have executed and delivered to the Company counterpart signature pages of this Agreement; and (iii) holders of (A) at least two-thirds in amount in the event of an In-Court Restructuring or (B) more than 50% in amount in the event of an Out-of-Court Restructuring of outstanding AcqCo Notes Claims shall have executed and delivered to the Company counterpart signature pages of this Agreement; and

(b) the Company has given notice to counsel to the Consenting 8.625% Noteholders, and counsel to the Consenting AcqCo Noteholders in accordance with Section 8.10 hereof that the conditions in (a)(i) through (iii) have been satisfied and this Agreement is effective (the "**Agreement Effective Date**").

Section 2. ***Plan of Reorganization.*** The Plan of Reorganization is expressly incorporated herein and is made part of this Agreement. The general terms and conditions of the Restructuring Transactions are set forth in the Plan of Reorganization; *provided, however*, that the Plan of Reorganization is supplemented by the terms and conditions of this Agreement. In the event of any inconsistencies between the terms of the Plan of Reorganization and this Agreement, the Plan of Reorganization shall govern.

Section 3. ***Commitments Regarding the Restructuring Transactions.***

3.01. Agreement to Support.

(a) As long as this Agreement has not been terminated in accordance with the terms hereof, each of the Plan Support Parties agrees that it shall, subject to the receipt by such Plan Support Party of a disclosure statement and other solicitation materials in respect of the Restructuring, which disclosure statement and solicitation materials reflect in all material respects the agreement set forth in this Agreement, including the Plan of Reorganization and, in the event of an In-Court Restructuring, such disclosure statement and other solicitation materials have been approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code (collectively, the "**Solicitation Materials**"):

(i) vote its Claims (inclusive of any Claim acquired pursuant to Section 3.03 hereof; *provided, however*, that as used herein, "Claims" shall not include any claim held by a Consenting Party in a fiduciary or similar capacity or held by any other business unit of such Consenting Party, unless such business unit is or becomes a party to this Agreement) to accept the Restructuring by delivering its duly executed and completed ballot accepting the

Restructuring on a timely basis following the commencement of the solicitation and its actual receipt of the Solicitation Materials and ballot;

(ii) not change or withdraw (or cause to be changed or withdrawn) such vote; and

(iii) not, in its capacity as a Consenting Party, or in any other capacity, in any material respect, (A) object to, delay, impede, or take any other action to interfere with acceptance or implementation of the Restructuring or (B) propose, file, support, or vote for any restructuring, workout, or plan of reorganization for the Company other than the Restructuring; *provided, however*, that, except as otherwise set forth in this Agreement, the foregoing prohibition will not limit any Plan Support Parties' rights under any applicable indenture, credit agreement, other loan document, and/or applicable law to appear and participate as a party in interest in any matter to be adjudicated in any case under the Bankruptcy Code concerning the Company, so long as such appearance and the positions advocated in connection therewith are not materially inconsistent with the Plan of Reorganization, this Agreement, or the Restructuring and does not directly and unreasonably hinder, delay, or prevent consummation of the Restructuring Transactions contemplated by the Plan of Reorganization; *provided, further*, that any delay or other impact on consummation of the Restructuring Transactions contemplated by the Plan of Reorganization caused by a Consenting Party's opposition to (i) any relief that is inconsistent with such Restructuring Transactions, (ii) a motion by the Company to enter into a material executory contract, lease or other arrangement outside of the ordinary course of its business without obtaining the prior consent of the Consenting 8.625% Noteholders and the Consenting AcqCo Noteholders, or (iii) any relief that is adverse to interests of the Consenting Holders sought by the Company (or any other party) shall not violate this Section 3.01(iii) (each of (i) through (iii), a "**Permitted Delay**"); *provided, further*, that to the extent any such actions by a Consenting Party are adjudicated to be inconsistent with this Agreement, the Company may enforce the Consenting Party's obligations hereunder, including pursuant to Section 8.13 of this Agreement; *provided, further*, that the deadlines set forth in Sections 6.04(a)(iii), 6.04(f), 6.04(g) and 6.04(h), to the extent that they have not already expired, may be tolled by the Company, in consultation with the Consenting 8.625% Noteholders and the Consenting AcqCo Noteholders, for an appropriate amount of time to account for such Permitted Delay.

3.02. Commitment of Company. The Company shall (a) support and complete the Restructuring Transactions on the terms set forth in the Plan of Reorganization, (b) do all things necessary and appropriate in furtherance of the Restructuring Transactions embodied in the Plan of Reorganization, including, without limitation (i) in the event of an In-Court Restructuring, commencing the chapter 11 cases on or before June 30, 2011 (the "**Outside Petition Date**," and the actual commencement date, the "**Petition Date**"), (ii) in the event of an In-Court Restructuring, taking all steps reasonably necessary to obtain an order of the Bankruptcy Court, that is reasonably satisfactory in form and substance to the counsel for the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders, confirming the Plan of Reorganization on or before the deadlines set forth in this Agreement, and (iii) taking all steps reasonably necessary and desirable to cause the effective date of the Restructuring to occur on or before the deadlines set forth in this Agreement, (c) seek promptly and obtain any and all required regulatory and/or third-party approvals for the Restructuring Transactions embodied in the Plan of Reorganization, (d) not take any action that is inconsistent with, or is intended or is

reasonably likely to interfere with consummation of, the Restructuring and the Restructuring Transactions embodied in the Plan of Reorganization, (e) operate its business in the ordinary course based on historic practices and the operations contemplated pursuant to the Company's business plan, taking into account the Out-of-Court Restructuring or the In-Court Restructuring, as the case may be, (f) provide a weekly report of all amounts paid pursuant to any "first day" order to counsel for the Ad Hoc 8.25% Noteholders and counsel for the JPMorgan Noteholders, beginning on July 7, 2011, and each Thursday thereafter until entry of the Confirmation Order, and (g) if a member of the Company's management knows of a breach by the Company in any material respect of any of the obligations, representations, warranties, or covenants of the Company set forth in this Agreement, furnish prompt written notice (and in any event within three business days of such actual knowledge) to counsel to the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders.

3.03. Transfer of Interests and Securities. Except as expressly provided herein, this Agreement shall not in any way restrict the right or ability of any Consenting Party to sell, use, assign, transfer, or otherwise dispose of ("**Transfer**") any of the Claims or Equity Security Interests; *provided, however*, that for the period commencing as of the date such Consenting Party executes this Agreement until termination of this Agreement pursuant to the terms hereof (such period, the "**Restricted Period**"), no Consenting Party shall Transfer any Claims or Equity Security Interests and any purported Transfer of any Claims or Equity Security Interests shall be void and without effect, unless (a) the transferee is a Consenting Party or (b) if the transferee is not a Consenting Party prior to the Transfer, such transferee delivers to the Company, at or prior to the time of the proposed Transfer, an executed copy of **Exhibit A** attached hereto pursuant to which such Transferee shall assume all obligations of the Consenting Party transferor hereunder in respect of the Claims or Equity Security Interests being transferred (such transferee, if any, to also be a Consenting 8.625% Noteholder, or a Consenting AcqCo Noteholder, as applicable, hereunder). This Agreement shall in no way be construed to preclude the Consenting Parties from acquiring additional Claims or Equity Security Interests; *provided, however*, that (a) any Consenting Party that acquires additional Claims or Equity Security Interests after executing this Agreement shall notify the Company, counsel to the Consenting 8.625% Noteholders, and counsel to the Consenting AcqCo Noteholders of such acquisition within three business days after the closing of such trade and (b) additional Claims and Equity Security Interests shall automatically and immediately upon acquisition by a Consenting Party be deemed subject to all of the terms of this Agreement whether or not notice is given to the Company, counsel to the Consenting 8.625% Noteholders, and counsel to the Consenting AcqCo Noteholders of such acquisition. This Section 3.03 shall not impose any obligation on (a) the Company to issue any "cleansing letter" or otherwise publicly disclose information for the purpose of enabling a Consenting Party to Transfer any Claims or Equity Security Interests or (b) the counsel to the Consenting 8.625% Noteholders, and counsel to the Consenting AcqCo Noteholders to monitor or enforce the provisions of this Section 3.03 as they relate to the Consenting Parties.

3.04. Representation of Consenting 8.625% Noteholders. Each of the Consenting 8.625% Noteholders severally and not jointly represents and warrants that, as of the date such Consenting 8.625% Noteholder executes and delivers this Agreement:

(a) it is the beneficial owner of the face amount of the 8.625% Notes Claims, or is the nominee, investment manager, or advisor for beneficial holders of the 8.625% Notes Claims, as

reflected in such Consenting 8.625% Noteholder's signature block to this Agreement, which amount the Company and each Consenting 8.625% Noteholder understands and acknowledges is proprietary and confidential to such Consenting 8.625% Noteholder;

(b) with respect to:

(i) the 8.625% Notes held by the Ad Hoc 8.625% Noteholders and the 8.625% Notes held by the JPMorgan Noteholder which are designated as notes held in proprietary accounts in the signature block to this Agreement (the "**JPM Proprietary Notes**"), other than pursuant to this Agreement, such 8.625% Notes Claims held by the Consenting 8.625% Noteholders reflected in the signature block to this Agreement are free and clear of any pledge, lien, security interest, charge, claim, equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition, or encumbrances of any kind (collectively, "**Encumbrances**"), that would adversely affect in any material way such Consenting 8.625% Noteholder's performance of its obligations contained in this Agreement at the time such obligations are required to be performed;

(ii) the 8.625% Notes held by the JPMorgan Noteholder which are not JPM Proprietary Notes, the JPMorgan Noteholder has not taken any action to create any Encumbrances on such 8.625% Notes Claims that would adversely affect in any material way the JPMorgan Noteholder's performance of its obligations contained in this Agreement at the time such obligations are required to be performed, and the JPMorgan Noteholder has no knowledge of any such Encumbrances; and

(c) (i) it is either (a) a qualified institutional buyer as defined in Rule 144A of the Securities Act of 1933, as amended (the "**Securities Act**") or (b) an institutional accredited investor (as defined in Rule 501(a)(1), (2), (3), or (7) under the Securities Act (collectively, the "**Rules**")) and (ii) any securities acquired by the Consenting 8.625% Noteholders in connection with the transactions described herein will not have been acquired with a view to distribution.

3.05. Representations of Consenting AcqCo Noteholders. Each of the Consenting AcqCo Noteholders severally and not jointly represents and warrants that, as of the date such Consenting AcqCo Noteholder executes and delivers this Agreement:

(a) it is the beneficial owner of the face amount of the AcqCo Notes Claims, or is the nominee, investment manager, or advisor for beneficial holders of the AcqCo Notes Claims, as reflected in such Consenting AcqCo Noteholder's signature block to this Agreement, which amount the Company and each Consenting AcqCo Noteholder understands and acknowledges is proprietary and confidential to such Consenting AcqCo Noteholder;

(b) with respect to:

(i) the AcqCo Notes held by the Ad Hoc 8.625% Noteholders and the AcqCo Notes which are JPM Proprietary Notes, other than pursuant to this Agreement, such AcqCo Notes Claims held by the Consenting AcqCo Noteholders reflected in the signature block to this Agreement are free and clear of any Encumbrances that would adversely affect in any material way such Consenting AcqCo Noteholder's performance of its obligations contained in this Agreement at the time such obligations are required to be performed;

(ii) the AcqCo Notes held by the JPMorgan Noteholder which are not JPM Proprietary Notes, the JPMorgan Noteholder has not taken any action to create any Encumbrances on such AcqCo Notes Claims that would adversely affect in any material way the JPMorgan Noteholder's performance of its obligations contained in this Agreement at the time such obligations are required to be performed, and the JPMorgan Noteholder has no knowledge of any such Encumbrances; and

(c) (i) it is either (a) a qualified institutional buyer as defined in Rule 144A of the Securities Act or (b) an institutional accredited investor (as defined in the Rules) and (ii) any securities acquired by the Consenting AcqCo Noteholder in connection with the transactions described herein will not have been acquired with a view to distribution.

Section 4. ***Certain Additional Chapter 11 Related Matters.*** In the event of an In-Court Restructuring, the Company shall provide draft copies of all "first day" motions or applications and other documents the Company intends to file with the Bankruptcy Court to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders at least three business days prior to the date when the Company intends to file such document and shall consult in good faith with such counsel regarding the form and substance of any such proposed filing with the Bankruptcy Court. The Company will use its reasonable best efforts to provide draft copies of all other pleadings the Company intends to file with the Bankruptcy Court to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders at least two days prior to filing such pleading and shall consult in good faith with such counsel regarding the form and substance of any such proposed pleading.

Section 5. ***Mutual Representations, Warranties, and Covenants.*** Each of the Parties, severally and not jointly, represents, warrants, and covenants to each other Party, as of the date of this Agreement, as follows (each of which is a continuing representation, warranty, and covenant):

5.01. Enforceability. It is validly existing and in good standing under the laws of the state of its organization, and this Agreement is a legal, valid, and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws.

5.02. No Consent or Approval. Except as expressly provided in this Agreement or the Bankruptcy Code, no consent or approval is required by any other person or entity in order for it to carry out the Restructuring Transactions contemplated by, and perform the respective obligations under, this Agreement.

5.03. Power and Authority. Except as expressly provided in this Agreement, it has all requisite power and authority to enter into this Agreement and to carry out the Restructuring Transactions contemplated by, and perform its respective obligations under, this Agreement.

5.04. Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part.

5.05. Representation by Counsel. It has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement.

5.06. Actions under this Agreement. It is not aware of the occurrence of any event that, due to any fiduciary or similar duty to any other person, would prevent it from taking any action required of it under this Agreement.

Section 6. ***Termination Events.***

6.01. Consenting Party Termination Events. This Agreement may be terminated by the delivery to the Company and, as applicable, the Consenting 8.625% Noteholders or the Consenting AcqCo Noteholders, of a written notice in accordance with Section 8.10 hereof by (i) by (x) Consenting 8.625% Noteholders holding no less than a majority in principal amount of the 8.625% Notes Claims held at such time by the Consenting Ad Hoc 8.625% Noteholders and (y) the JPMorgan Noteholders (together with the parties required by the preceding clause (x), the "**Requisite Consenting 8.625% Noteholders**"); *provided, however*, that in the event either the Ad Hoc 8.625% Noteholders, in aggregate, or the JPMorgan Noteholders, in aggregate, cease to hold at least 90% in principal amount of the 8.625% Notes Claims reflected in their respective signature blocks to this Agreement, the Requisite Consenting 8.625% Noteholders shall be, for all purposes, Consenting 8.625% Noteholders holding no less than two-thirds in principal amount of the 8.625% Notes Claims held at such time by the Consenting 8.625% Noteholders, which amount must include the JPMorgan Noteholders for so long as the JPMorgan Noteholders hold at least 33.3% in principal amount of the aggregate 8.625% Notes Claims or (ii) by the Consenting AcqCo Noteholders holding no less than two-thirds in principal amount of the AcqCo Notes Claims held at such time by the Consenting AcqCo Noteholders (the "**Requisite Consenting AcqCo Noteholders**") (unless otherwise provided in this Section 6.01), each in the exercise of its sole discretion, upon the occurrence and continuation of any of the following events (each a "**Consenting Party Termination Event**"):

(a) the exit financing (including the related credit documents) obtained by the Company is not in form and substance reasonably satisfactory to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders; *provided, that* if the exit financing contains terms less favorable to the Company and its creditors than those evidenced in Exhibit D hereto, such terms must be satisfactory to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders; *provided, further* the Company shall provide the Consenting 8.625% Noteholders and the Consenting AcqCo Noteholders with copies of the material documents relating to the exit financing (including the related credit documents) no less than seven business days prior to the deadline for voting on any plan of reorganization (the "**Voting Deadline**");

(b) other than with respect to the covenant and agreement in Section 3.02(g) of this Agreement, the breach in any material respect by the Company of any of the obligations, representations, warranties, or covenants of the Company set forth in this Agreement; *provided, however*, that the Company shall have five business days to cure any such breach after receipt of the notice delivered in accordance with Section 8.10 of this Agreement (the "**Cure Period**"); *provided, further*, that if the Voting Deadline or any hearing concerning the confirmation of any plan of reorganization (the "**Confirmation Hearing**") will occur during the Cure Period, then

the Cure Period shall be shall be reduced to one business day prior to such Voting Deadline or Confirmation Hearing, as applicable;

(c) failure to duly observe and perform the covenant and agreement contained in Section 3.02(g) of this Agreement;

(d) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of the Restructuring Transactions in a way that cannot be reasonably remedied by the Company in a manner that is reasonably satisfactory to the Consenting Parties prior to the Voting Deadline;

(e) in the event of an In-Court Restructuring, the conversion of one or more of the chapter 11 cases to a case under chapter 7 of the Bankruptcy Code, unless such conversion is made with the prior written consent of counsel to the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders;

(f) in the event of an In-Court Restructuring, the appointment of a trustee, receiver, or examiner with expanded powers in one or more of the chapter 11 cases, unless such appointment is made with the prior written consent of counsel to the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders;

(g) in the event of an In-Court Restructuring, the amendment, modification, or filing of a pleading by the Company seeking to amend or modify the Plan of Reorganization, Solicitation Materials, or any documents related to the foregoing, including motions, notices, exhibits, appendices, and orders, in a manner not reasonably satisfactory to counsel to the Consenting 8.625% Noteholders or counsel to the Consenting AcqCo Noteholders; *provided, however*, that any amendments to the Plan of Reorganization that will affect the nature, value or form of the recovery to (a) the Holders of 8.625% Notes, shall be satisfactory to the Consenting 8.625% Noteholders, and (b) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders;

(h) in the event of an In-Court Restructuring, the Company files any motion or pleading with the Bankruptcy Court that is inconsistent in any material respect with this Agreement or the Plan of Reorganization and such motion or pleading has not been withdrawn prior to the earlier of (i) three business days of the Company receiving written notice in accordance with Section 8.10 hereof from either counsel to the Consenting 8.625% Noteholders or counsel to the Consenting AcqCo Noteholders that such motion or pleading violates this section 6.01(h), (ii) entry of an order of the Bankruptcy Court approving such motion and three business days prior to the Voting Deadline; or

(i) in the event of an In-Court Restructuring, the debtor-in-possession financing (including the related credit documents; the "**DIP Facility**") obtained by the Company is materially inconsistent in substance and form with the draft agreement provided on June 26, 2011 or is otherwise amended during such In-Court Restructuring in a manner that is not reasonably satisfactory to counsel to the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders; *provided, however*, that any amendments to the DIP Facility that (i) will affect the nature, value or form of the recovery to (a) the Holders of 8.625% Notes,

shall be satisfactory to the Consenting 8.625% Noteholders, and (b) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders.

6.02. Company Termination Events. The Company may terminate this Agreement as to all Parties upon prior written notice, delivered in accordance with Section 8.10 hereof, upon the occurrence of any of the following events (each, a "**Company Termination Event**"): (a) the material breach by any of the Plan Support Parties of any of the representations, warranties, or covenants of such Plan Support Parties set forth in this Agreement that would have a material adverse impact on the Company (taken as a whole) or the consummation of the Restructuring Transactions (taken as a whole) that remains uncured for a period of three business days after the receipt by the Plan Support Parties of written notice of such breach from the Company; (b) the board of directors of the Company reasonably determines based upon the advice of counsel that proceeding with the Restructuring Transactions would be inconsistent with the exercise of its fiduciary duties; or (c) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order enjoining the consummation of a material portion of the Restructuring Transactions.

6.03. Mutual Termination. This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual agreement among (a) the Company, (b) the Requisite Consenting 8.625% Noteholders, and (c) the Requisite Consenting AcqCo Noteholders.

6.04. Automatic Termination. This Agreement, and the obligations of all Parties hereunder, shall terminate automatically without any further required action or notice:

(a) failure of the Company to (i) complete an Out-of-Court Restructuring by October 18, 2011; (ii) commence an In-Court Restructuring on or before the Outside Petition Date, or (iii) complete a Restructuring by November 3, 2011;

(b) in the event of an In-Court Restructuring, the Bankruptcy Court's interim order authorizing the Company to enter into the DIP Facility, in form and substance reasonably satisfactory to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders (*provided, however* that any provision of the interim order that will affect the nature, value or form of the recovery to (a) the Holders of 8.625% Notes, shall be satisfactory to the Consenting 8.625% Noteholders, and (b) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders) shall not have been entered by the Bankruptcy Court within five days following the Petition Date;

(c) in the event of an In-Court Restructuring, failure of the Company to file with the Bankruptcy Court a Plan of Reorganization within 5 days after the Petition Date and related disclosure statement within 20 days after the Petition Date, each of which shall be in form and substance materially consistent with the draft Plan of Reorganization attached hereto as Exhibit B, with this Agreement and the Plan of Reorganization and any amendments thereto shall be in a form and substance reasonably satisfactory to the Requisite Consenting 8.625% Noteholders and the Requisite Consenting AcqCo Noteholders; *provided, however* that any amendments to the Plan of Reorganization that will affect the nature, value or form of the recovery to (a) the Holders of 8.625% Notes, shall be satisfactory to the Consenting 8.625%

Noteholders, and (b) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders;

(d) in the event of an In-Court Restructuring, the Plan of Reorganization provides for cash payment with respect to General Unsecured Claims that are not paid as ordinary course obligations of the Company, including relief requested in interim and final "first day" orders (collectively, the "First Day Relief"), in an aggregate amount greater than $30 million; *provided, however*, that to the extent the Bankruptcy Court denies any portion of the First Day Relief, such $30 million cap shall be increased on a dollar-for-dollar basis by the amount of First Day Relief denied by the Bankruptcy Court;

(e) in the event of an In-Court Restructuring, the Bankruptcy Court's final order authorizing the Company to enter into the DIP Facility, in form and substance reasonably satisfactory to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders (*provided, however*, that any provision of the final order that will affect the nature, value or form of the recovery to (a) the Holders of 8.625% Notes, shall be satisfactory to the Consenting 8.625% Noteholders, and (b) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders) shall not have been entered by the Bankruptcy Court within 45 days following the Petition Date;

(f) in the event of an In-Court Restructuring, the Bankruptcy Court's orders approving the Solicitation Materials and setting a hearing to confirm the Plan of Reorganization shall not have been entered by the Bankruptcy Court within 55 days following the Petition Date or as soon thereafter as the Bankruptcy Court's schedule permits;

(g) in the event of an In-Court Restructuring, the Bankruptcy Court's order confirming the Plan of Reorganization (the "**Confirmation Order**"), which Plan of Reorganization or Confirmation Order shall be reasonably satisfactory to the counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders; *provided, however* that any terms that will affect the nature, value, or form of the recovery to (i) the Holders of 8.625% Notes, shall be satisfactory to the Consenting 8.625% Noteholders, and (ii) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders, with all exhibits, appendices, plan supplement documents (including (A) the New ABL, on the terms materially consistent with Exhibit C hereto and (B) the New Warrants, on the terms materially consistent with Exhibit F hereto), and related documents (other than the Shareholders Agreement, Registration Rights Agreement, New Unsecured Notes (on terms materially consistent with Exhibit E hereto), and New Unsecured Notes Indenture, which shall be satisfactory in form and substance to the Consenting 8.625% Noteholders and the Consenting AcqCo Noteholders), which shall be reasonably satisfactory to the counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders; *provided, however*, that any terms that will affect the nature, value or form of the recovery to (i) the Holders of 8.625% Notes, shall be satisfactory to the Consenting 8.625% Noteholders, and (ii) the Holders of AcqCo Notes shall be satisfactory to the Consenting AcqCo Noteholders; and the New Senior Secured Notes Indenture, which shall be reasonably satisfactory to Consenting 8.625% Noteholders and the Consenting AcqCo Noteholders; *provided, however*, if the New Senior Secured Notes Indenture evidences terms less favorable to the Company and its creditors than those set forth in Exhibit D hereto, such terms must be satisfactory to counsel to the Consenting

8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders, shall not have been entered by the Bankruptcy Court within 60 days after the date that the Solicitation Materials are approved; *provided, however*, that so long as the Company is proceeding in good faith towards confirmation of the Plan of Reorganization, upon written notice from the Company to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders in accordance with Section 8.10 hereof, there shall be a 14-day extension of such 60-day period;

(h) in the event of an In-Court Restructuring, the effective date of the Plan of Reorganization shall not have occurred within 16 days after the date that the Plan of Reorganization is confirmed; *provided, however*, that so long as the Company is proceeding in good faith towards consummation of the Plan of Reorganization, upon written notice from the Company to counsel to the Consenting 8.625% Noteholders and to counsel to the Consenting AcqCo Noteholders in accordance with Section 8.10 hereof, there shall be a 14-day extension of such 16-day period;

(i) failure of the Company to (i) include in the Plan of Reorganization that fees incurred under the Expense Reimbursement Agreements shall be paid without the need to file a fee application or otherwise seek approval and (ii) assume the Expense Reimbursement Agreements under the Plan of Reorganization; and

Notwithstanding any provision in this Agreement to the contrary, upon the written consent of the (i) Requisite Consenting 8.625% Noteholders and (ii) Requisite Consenting AcqCo Noteholders, the dates set forth in this Section 6 may be extended prior to or upon each such date and such later dates agreed to in lieu thereof and shall be of the same force and effect as the dates provided herein. If this Agreement is terminated pursuant to this Section 6, this Agreement shall be automatically and simultaneously terminated as to any other Party that is a signatory to this Agreement. No Party shall terminate this Agreement if such Party is in breach of any provision hereof.

6.05. Effect of Termination. Upon termination of this Agreement under Section 6.01, 6.02, 6.03, or 6.04 this Agreement shall be of no further force and effect and each Party hereto shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement. Upon the occurrence of any termination of this Agreement, any and all consents tendered by the Plan Support Parties prior to such termination shall be deemed, for all purposes, to be null and void ab nitio and shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions and this Agreement or otherwise.

6.06. Termination Upon Effective Date of Restructuring. In the event of an In-Court Restructuring, this Agreement shall terminate automatically without any further required action or notice on the date that the Plan of Reorganization becomes effective (immediately following the effectiveness of the Plan of Reorganization). In the event of an Out-of-Court Restructuring, this Agreement shall terminate automatically without any further required action or notice on the date of the closing of the Restructuring.

Section 7. ***Amendments.*** This Agreement may not be modified, amended, or supplemented (except as expressly provided herein or therein) except in writing signed by the Company, the Requisite Consenting 8.625% Noteholders, and the Requisite Consenting AcqCo Noteholders.

Section 8. ***Miscellaneous.***

8.01. Further Assurances. Subject to the other terms of this Agreement, the Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the Restructuring Transactions in a manner materially consistent with the terms set forth in the Plan of Reorganization, as applicable.

8.02. Complete Agreement. This Agreement and the annexes hereto represent the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements, oral or written, between the Parties with respect thereto. No claim of waiver, modification, consent, or acquiescence with respect to any provision of this Agreement shall be made against any Party, except on the basis of a written instrument executed by or on behalf of such Party.

8.03. Parties. This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 3.03 hereof. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

8.04. Headings. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision hereof.

8.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in either the United States District Court for the Southern District of New York or any New York State court sitting in New York City (the "**Chosen Courts**"), and solely in connection with claims arising under this Agreement (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto; *provided, however*, that in the event of an In-Court Restructuring, the Bankruptcy Court shall be the sole Chosen Court. Each Party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

8.06. Execution of Agreement. This Agreement may be executed and delivered (by facsimile, electronic mail, or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement.

8.07. Interpretation. This Agreement is the product of negotiations between the Company, the Consenting 8.625% Noteholders, and the Consenting AcqCo Noteholders, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

8.08. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators, and representatives, other than a trustee or similar representative appointed in a bankruptcy case.

8.09. Creditors' Committee. Notwithstanding anything herein to the contrary, if any Consenting 8.625% Noteholder or Consenting AcqCo Noteholder is appointed to and serves on an official committee of creditors in an In-Court Restructuring, the terms of this Agreement shall not be construed so as to limit such Consenting 8.625% Noteholder's or Consenting AcqCo Noteholder's exercise (in its sole discretion) of its fiduciary duties to any person arising from its service on such committee, and any such exercise (in the sole discretion of such Consenting 8.625% Noteholder or Consenting AcqCo Noteholder) of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; *provided, however*, that nothing in this Agreement shall be construed as requiring any Consenting 8.625% Noteholder or Consenting AcqCo Noteholder to serve on any official committee in an In-Court Restructuring.

8.10. Notices. All notices hereunder shall be deemed given if in writing and delivered, if sent by electronic mail, courier, or registered or certified mail (return receipt requested) to the following addresses (or at such other addresses as shall be specified by like notice):

(a) if to the Company, to:

Nebraska Book Company, Inc.
4700 South 19th Street
Lincoln, Nebraska 68501
Attention: Alan Siemek, Chief Financial Officer
E-mail address: asiemek@nebook.com

with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Marc Kieselstein, Chad J. Husnick and Daniel R. Hodgman
E-mail addresses: mkieselstein@kirkland.com, chusnick@kirkland.com, and dhodgman@kirkland.com

(b) if to a Consenting 8.625% Noteholders or a transferee thereof, to the addresses set forth below following the Consenting 8.625% Noteholder's signature (or as directed by any transferee thereof), as the case may be

with copies (which shall not constitute notice) to:

Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005
Attention: Matthew S. Barr and Samuel Khalil
E-mail address: mbarr@milbank.com and skhalil@milbank.com

and

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attention: Marc Abrams and Rachel C. Strickland
E-mail address: mabrams@willkie.com and rstrickland@willkie.com

(c) if to a Consenting AcqCo Noteholder or a transferee thereof, to the addresses set forth below following the Consenting AcqCo Noteholder's signature (or as directed by any transferee thereof), as the case may be

with copies (which shall not constitute notice) to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attention: Marc Abrams and Rachel C. Strickland
E-mail address: mabrams@willkie.com and rstrickland@willkie.com

Any notice given by delivery, mail, or courier shall be effective when received.

8.11. Access. The Company will afford the Plan Support Parties and their respective attorneys, consultants, accountants, and other authorized representatives reasonable access, upon reasonable notice during normal business hours, to all properties, books, contracts, commitments, records, management personnel, lenders, and advisors of the Company; *provided, however,* that the Company's obligation hereunder shall be conditioned upon such Plan Support Party being party to an executed confidentiality agreement approved by and with the Company.

8.12. Waiver. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict any right of any Consenting Party or the ability of each of the Consenting Party to protect and preserve its rights, remedies, and interests, including, without limitation, its claims against or interests in the Company. If the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason (other than Section 6.06 hereof), the Parties fully reserve any and all of their rights.

Pursuant to Rule 408 of the Federal Rules of Evidence and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

8.13. Specific Performance. It is understood and agreed by the Parties that money damages would be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

8.14. Several, Not Joint, Obligations. The agreements, representations, and obligations of the Parties under this Agreement are, in all respects, several and not joint.

8.15. Remedies Cumulative. All rights, powers, and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power, or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party.

8.16. No Third-Party Beneficiaries. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

8.17. Automatic Stay. The Parties acknowledge that the giving of notice or termination by any Party pursuant to this Agreement shall not be violation of the automatic stay of section 362 of the Bankruptcy Code.

Section 9. ***Disclosure.*** The Company shall publicly disclose (a) the existence of this Agreement and the material terms of the Plan of Reorganization in a press release and/or filing with the Bankruptcy Court in form and substance reasonably satisfactory to counsel to the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders on or before June 28, 2011 and (b) any material amendment to this Agreement and the Plan of Reorganization in a filing with the Bankruptcy Court following the effective date of such amendment in form and substance reasonably satisfactory to counsel to the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders. The Company will submit to counsel to the Consenting 8.625% Noteholders and counsel to the Consenting AcqCo Noteholders all press releases and public filings relating to this Agreement, the Plan of Reorganization, or the transactions contemplated hereby and thereby and any amendments thereof at least three days prior to releasing such press releases or making such public filings and shall consult in good faith with such counsel regarding the form and substance of such press releases and public filings. To the extent that the Company fails to make such initial disclosure within two business days of June 28, 2011, or the effective date of any amendment hereto, counsel to the Consenting 8.625% Noteholders, counsel to the Consenting AcqCo Noteholders, and each of the Consenting Parties shall have the right, but not the obligation, to disclose such terms publicly. The Company shall not (a) use the name of any Plan Support Party in any press release without such Plan Support Party's prior written consent or (b) disclose to any person other than legal and financial advisors

to the Company the principal amount or percentage of any 8.625% Notes Claims, AcqCo Notes Claims, or any securities of the Company or any of their respective subsidiaries held by any Consenting 8.625% Noteholder and Consenting AcqCo Noteholder; *provided, however*, that the Company shall be permitted to disclose at any time the aggregate principal amount of and aggregate percentage of the 8.625% Notes Claims, or AcqCo Notes Claims held by the Consenting 8.625% Noteholders and Consenting AcqCo Noteholders; *provided further, however*, that the legal and financial advisors to the Company may disclose the names of holders of 8.625% Notes Claims or AcqCo Notes Claims (but not the principal amount or percentage of either the 8.625% Notes or AcqCo Notes held by particular holders) to the extent such advisors deem necessary to satisfy the obligations to make disclosures of connections to parties in interest in connection with being retained to advise the Company under section 327(a) of the Bankruptcy Code; *provided further, however* that if the Company is required to file this Agreement, the Company shall redact any signature pages hereto or file such signature pages under seal.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day and year first above written.

[signature pages follow]

Signature Page to the Restructuring and Lock-Up Agreement

NEBRASKA BOOK COMPANY, INC., a Kansas corporation

By: _____
Name: Alan G. Siemek
Title: Authorized Signatory

CAMPUS AUTHENTIC LLC, a Delaware limited liability company

By: _____
Name: Alan G. Siemek
Title: Authorized Signatory

COLLEGE BOOKSTORES OF AMERICA, INC., an Illinois corporation

By: _____
Name: Alan G. Siemek
Title: Authorized Signatory

NBC ACQUISITION CORP., a Delaware corporation

By: _____
Name: Alan G. Siemek
Title: Authorized Signatory

NBC HOLDINGS CORP., a Delaware corporation

By: _____
Name: Alan G. Siemek
Title: Authorized Signatory

NBC TEXTBOOKS, LLC, a Delaware limited liability company

By: _____
Name: Alan G. Siemek
Title: Authorized Signatory

NET TEXTSTORE LLC, a Delaware limited liability company

By: _____
Name: Alan G Siemek
Title: Authorized Signatory

SPECIALTY BOOKS, INC., a Delaware corporation

By: _____
Name: Alan G Siemek
Title: Authorized Signatory

Signature Page to the Restructuring and Lock-Up Agreement

Name of Entity:_____

By:_____
Name:
Title:

Address:

Attention:
Telephone:
Facsimile:

Principal Amount Held	
Claim or Equity Interest	**Amount**
8.625% Notes Claims	
AcqCo Notes Claims	
Equity Security Interests	

EXHIBIT A
PROVISION FOR TRANSFER AGREEMENT

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring and Lock-Up Agreement (the "**Agreement**"),[1] dated as of **[DATE]**, 2011, by and among the Company, and certain lenders, and noteholders, including the transferor to the Transferee of any 8.625% Notes Claims, or AcqCo Notes Claims (the "**Transferor**"), and agrees to be bound by the terms and conditions thereof to the extent Transferor was thereby bound, and shall be deemed a Consenting 8.625% Noteholder, or a Consenting AcqCo Noteholder (as applicable) under the terms of the Agreement.

The Transferee specifically agrees (i) to be bound by the terms and conditions of the 8.625% Notes Indenture or the AcqCo Notes Indenture, as applicable, and the Agreement and (ii) to be bound by the vote of the Transferor if cast prior to the effectiveness of the transfer of the loans or notes, as applicable.

Date Executed: _____, 2011

Print name of Transferee

Name:
Title:

Address:

Attention:
Telephone:
Facsimile:

Principal Amount Held	
Claim or Equity Interest	**Amount**
8.625% Notes Claims	
AcqCo Notes Claims	
Equity Security Interests	

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

EXHIBIT B
PLAN OF REORGANIZATION

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

JOINT PLAN OF REORGANIZATION OF NEBRASKA BOOK COMPANY, INC., *ET AL.*, PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022-4611
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

PACHULSKI STANG ZIEHL & JONES LLP
919 North Market Street, 17th Floor
Wilmington, Delaware 19899-8705
Telephone: (302) 652-4100
Facsimile: (302) 652-4400

Proposed Counsel to the Debtors and Debtors in Possession

Dated: June ___, 2011

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

TABLE OF CONTENTS

INTRODUCTION

Nebraska Book Company, Inc. and its affiliates Campus Authentic LLC, College Bookstores of America, Inc., NBC Acquisition Corp., NBC Holdings Corp., NBC Textbooks LLC, Net Textstore LLC, and Specialty Books, Inc., as debtors and debtors in possession (each, a "Debtor" and, collectively, the "Debtors") propose this joint plan of reorganization (the "Plan") for the resolution of the outstanding claims against and interests in the Debtors pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in Article I.A hereof. Holders of Claims and Interests may refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, and accomplishments during the Chapter 11 Cases, and projections of future operations, as well as a summary and description of the Plan and certain related matters. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS AND INTERESTS, TO THE EXTENT APPLICABLE, ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. AS PART OF THE SETTLEMENT EMBODIED IN THE PLAN, THE PLAN PROVIDES FOR SUBSTANTIVE CONSOLIDATION OF THE ESTATES FOR ALL PURPOSES ASSOCIATED WITH CONFIRMATION AND CONSUMMATION.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. Defined Terms.

As used in this Plan, capitalized terms have the meanings set forth below.

1. "*8.625% Notes*" means the $175 million 8.625% senior subordinated notes due March 15, 2012, issued by NBC pursuant to the 8.625% Notes Indenture.

2. "*8.625% Notes Claim*" means any Claim derived from or based upon the 8.625% Notes and the 8.625% Notes Indenture.

3. "*8.625% Notes Indenture*" means that certain indenture, dated March 4, 2004, by and among NBC, as borrower, all NBC subsidiaries, as guarantors, and BNY Midwest Trust Company, as trustee.

4. "*8.625% Notes Trustee*" means BNY Midwest Trust Company, as indenture trustee under the 8.625% Notes Indenture.

5. "*ABL Agent*" means JP Morgan Chase Bank, N.A., as administrative agent under the ABL Facility.

6. "*ABL Facility*" means that certain credit agreement, dated March 22, 2010, by and among NBC, as borrower, HoldCo, AcqCo, and all NBC subsidiaries, as guarantors, JP Morgan Chase Bank, N.A., as administrative agent, and the banks and other financial institutions from time to time party thereto.

7. "*ABL Facility Claim*" means any Claim derived from or based upon the ABL Facility.

8. "*ABL Lenders*" means those several banks and other financial institutions from time to time party to the ABL Facility.

9. "*AcqCo*" means NBC Acquisition Corp., the Holder of 100% of the Equity Securities in NBC.

10. "*AcqCo Notes*" means the $77 million 11% senior discount notes due December 15, 2013, issued by AcqCo pursuant to the AcqCo Notes Indenture.

11. "*AcqCo Notes Claim*" means any Claim derived from or based upon the AcqCo Notes and the AcqCo Notes Indenture.

12. "*AcqCo Notes Indenture*" means that certain indenture, dated March 4, 2004, by and between AcqCo, as borrower, and BNY Midwest Trust Company, as trustee.

13. "*AcqCo Notes Trustee*" means BNY Midwest Trust Company, as indenture trustee under the AcqCo Notes Indenture.

14. "*Ad Hoc 8.625% Noteholders*" means that certain ad hoc group of 8.625% Noteholders that execute or are otherwise party to the Restructuring Documents, in their capacities as Holders of 8.625% Notes.

15. "*Ad Hoc Members*" means the two New Board members to be selected by the Ad Hoc 8.625% Noteholders, which members shall be reasonably satisfactory to the JPMorgan Noteholders, and designated by the Debtors.

16. "*Administrative Claim*" means a Claim for costs and expenses of administration of the Estates under sections 503(b), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred under the Petition Date of preserving the Estates and operating the businesses of the Debtors, (b) Allowed Claims of Retained Professionals in the Chapter 11 Cases; and (c) all fees and charges assessed against the Estates under chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911-1930.

17. "*Administrative Claim Bar Date*" means the deadline for filing requests for payment of Administrative Claims, which shall be 30 days after the Effective Date.

18. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code; *provided, however*, that the Holders of the Holdco Interests, including Weston Presidio, shall not be considered Affiliates.

19. "*Allowed*" means with respect to any Claim or Interest, except as otherwise provided herein: (a) a Claim or Interest that is evidenced by a Proof of Claim or Proof of Interest, as applicable, by the applicable Bar Date or that is not required to be evidenced by a Filed Proof of Claim or Proof of Interest, as applicable, under the Bankruptcy Code or a Final Order, any objections to which shall be Filed on or before the later of (1) the date that is one year after the Effective Date and (2) such date as may be fixed by the Bankruptcy Court, after notice and a hearing, whether fixed before or after the date that is one year after the Effective Date; (b) a Claim or Interest that is scheduled by the Debtors as neither disputed, contingent, nor unliquidated, and as for which no Proof of Claim or Proof of Interest, as applicable, has been timely Filed; or (c) a Claim or Interest that is Allowed (i) pursuant to the Plan, (ii) in any stipulation that is approved by the Bankruptcy Court, or (iii) pursuant to any contract, instrument, indenture, or other agreement entered into or assumed in connection herewith. Except as otherwise specified in the Plan or any Final Order, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim or Interest that has been or is hereafter identified in the Schedules as disputed, contingent, or unliquidated, and for which no Proof of Claim or Proof of Interest has been timely Filed, is not considered Allowed and shall be expunged without further action by the Reorganized Debtors and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Notwithstanding anything to the contrary herein, no Claim of any entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such entity pays in full the amount that it owes such Debtor or Reorganized Debtor, as the case may be.

20. "*Bankruptcy Court*" means the United States Bankruptcy Court for the District of Delaware.

21. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

22. "*Bar Date*" means the date established by the Bankruptcy Court by which Proofs of Claim and Proofs of Interests must be Filed with respect to such Claims, as ordered by the Bankruptcy Court and, except with respect to the Claims of Governmental Units, such date shall be no later than 10 days before the deadline to vote on the Plan.

23. "*Business Day*" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

24. "*Cash*" means cash and cash equivalents, including bank deposits, checks, other similar items in legal tender of the United States of America.

25. "*Cash Payment*" means the cash payment of not less than $30.6 million to the Holders of the 8.625% Notes.

26. "*Causes of Action*" means any claims, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, and franchises of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims on contracts or for breaches of duties imposed by law; (b) the right object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

27. "*Certificate*" means any instrument evidencing a Claim or an Interest.

28. "*Chapter 11 Cases*" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all the Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

29. "*Claim*" means any claim against the Debtors, as defined in section 101(5) of the Bankruptcy Code, including: (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

30. "*Claims and Balloting Agent*" means Kurtzman Carson Consultants, LLC, located at 72335 Alaska Avenue, El Segundo, California 9024, (888) 369-6612.

31. "*Claims Register*" means the official register of Claims maintained by the Claims Agent.

32. "*Class*" means a class of Claims or Interests as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

33. "*CM/ECF*" means the Bankruptcy Court's Case Management and Electronic Case Filing system.

34. "*Confirmation*" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases, subject to all conditions specified in Article IX.A hereof having been (a) satisfied or (b) waived pursuant to Article IX.C hereof.

35. "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

36. "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court on Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

37. "*Confirmation Order*" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

38. "*Consummation*" means the occurrence of the Effective Date.

39. "*Cure Claim*" means a Claim based upon the Debtors' defaults on an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtors pursuant to section 365 of the Bankruptcy Code.

40. "*DIP Agent*" means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under the DIP Agreement, or any successor agent appointed in accordance with such agreement.

41. "*DIP Agreement*" means that certain debtor-in-possession credit agreement, dated as of June [___], 2011, by and among NBC, as borrower, HoldCo and AcqCo, as guarantors, and the DIP Agent, the DIP Lenders named therein, and the other parties thereto, as amended, supplemented or otherwise modified from time to time.

42. "*DIP Claims*" means any and all Claims arising under or related to the DIP Facility.

43. "*DIP Facility*" means that certain $200 million debtor-in-possession credit facility entered into pursuant to the DIP Agreement.

44. "*DIP Lenders*" means the DIP Agent and the banks, financial institutions, and other lender parties under the DIP Facility.

45. "*Disbursing Agent*" means the Reorganized Debtors or the Entity or Entities selected by the Debtors or the Reorganized Debtors, as applicable, to make or facilitate distributions pursuant to the Plan.

46. "*Disclosure Statement*" means the *Disclosure Statement Relating to the Joint Plan of Reorganization of Nebraska Book Company, Inc., et al., Pursuant to Chapter 11 of the Bankruptcy Code*, dated [_____], 2011, including all exhibits and schedules thereto and references therein that relate to the Plan, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

47. "*Disputed Claim*" means any Claim or Interest that the Debtors or Reorganized Debtors, as applicable believe is unliquidated, disputed, or contingent, and which has not been allowed by Final Order of a court of competent jurisdiction or by agreement with the Debtors or Reorganized Debtors, as applicable.

48. "*Distribution Date*" means the Effective Date.

49. "*Distribution Record Date*" means other than with respect to any publicly held securities, the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be 20 days before the first day of the Confirmation Hearing, originally scheduled by the Bankruptcy Court in the Order approving the Disclosure Statement.

50. "*Effective Date*" means the date selected by the Debtors in consultation with the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders for the consummation of the Restructuring, including the issuance of all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Restructuring. Any action to be taken on the Effective Date may be taken on or as soon as reasonably practicable after the Effective Date.

51. "*Employment Obligations*" means any existing obligations to employees to be assumed by the Debtors, as well as the incentive-based compensation programs that are reasonably satisfactory to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders, to be implemented by the Debtors on the Effective Date.

52. "*Entity*" means an entity as such term is defined in section 101(15) of the Bankruptcy Code.

53. "*Equity Security*" means any equity security as defined in section 101(16) of the Bankruptcy Code in a Debtor.

54. "*Estate*" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

55. "*Exchange Act*" means the Securities Exchange Act of 1934, 15 U.S.C. § 78a, *et seq.*

56. "*Exculpated Claim*" means any Claim related to any act or omission in connection with, relating to, or arising out of the Restructuring, the formulation, preparation, dissemination, negotiation of any document in connection with the Restructuring, or any contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring, the pursuit of consummation, the administration and implementation of the Restructuring, or the distribution of property pursuant to the Restructuring.

57. "*Executory Contract*" means a contract to which one or more of the Debtors is a party and that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

58. "*Expense Reimbursement Agreements*" means: (i) that certain Expense Reimbursement Agreement between the Debtors and Milbank, Tweed, Hadley & McCloy LLP, dated April 26, 2011; (ii) that certain Expense Reimbursement Agreement between the Debtors and J.P. Morgan Investment Management Inc., dated June 1, 2011; (iii) that certain Expense Reimbursement Agreement between the Debtors and FTI Consulting, dated May 23, 2011; (iv) that certain Expense Reimbursement Agreement between the Debtors and Moelis & the Debtors, dated May 23, 2011; and (v) that certain Expense Reimbursement Agreement between the Debtors and Blackstone Advisory Partners L.P., dated June 10, 2011.

59. "*Federal Judgment Rate*" means the federal judgment rate in effect as of the Petition Date.

60. "*File*" or "*Filed*" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

61. "*Final Order*" means an order or judgment of the Bankruptcy Court, or court of competent jurisdiction with respect to the subject matter, as entered on the docket in any Chapter 11 Case or the docket of any court of competent jurisdiction, that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice.

62. "*General Administrative Claim*" means any Administrative Claim, including Cure Claims, other than a Professional Fee Claim.

63. "*General Unsecured Claim*" means any Unsecured Claim other than a/an: (a) AcqCo Notes Claim; (b) 8.625% Notes Claim; or (c) Intercompany Claim.

64. "*Governmental Unit*" means a governmental unit as defined in section 101(27) of the Bankruptcy Code.

65. "*Holdback Amount*" means the aggregate holdback of those Professional fees billed to the Debtors during the Chapter 11 Cases that are held back pursuant to the Professional Fee Order or any other order of the Bankruptcy Court, which amount is to be deposited in the Holdback Escrow Account as of the Effective Date. The Holdback Amount shall not be considered property of the Debtors or the Reorganized Debtors. When all Professional Fee Claims have been paid, amounts remaining in the Holdback Escrow Account, if any, shall be paid to the Reorganized Debtors.

66. "*Holdback Escrow Account*" means the escrow account established by the Reorganized Debtors into which Cash equal to the Holdback Amount shall be deposited on the Effective Date for the payment of Allowed Professional Fee Claims to the extent not previously paid or disallowed.

67. "*HoldCo*" means NBC Holdings Corp.

68. "*HoldCo Interests*" means all existing Interests in HoldCo, including all existing Equity Securities issued by HoldCo, and those certain Equity Securities in AcqCo held by Western Presidio.

69. "*Holder*" means an Entity holding a Claim or an Interest, as applicable.

70. "*Impaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

71. "*Intercompany Claim*" means any Claim in a Debtor held by another Debtor affiliate.

72. "*Intercompany Interest*" means any Interest in a Debtor affiliate held by another Debtor affiliate, other than the HoldCo Interests.

73. "*Intercreditor Agreement*" means that certain agreement, dated December 2, 2009, by and among the Debtors, the ABL Agent, and the Senior Secured Notes Trustee.

74. "*Interest*" means any: (a) Equity Security, including all issued, unissued, authorized, or outstanding shares of capital stock of the Debtors together with any warrants, options, or contractual rights to purchase or acquire such Equity Securities at any time and all rights arising with respect thereto; and (b) partnership, limited liability company, or similar interest in the Debtors.

75. "*Joint Director*" means one member of the New Board, which member shall be jointly selected by the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, and designated by the Debtors.

76. "*JPMorgan Noteholders*" means J.P. Morgan Investment Management Inc. in its capacity as investment advisor to certain holders of 8.625% Notes and AcqCo Notes.

77. "*JPM Member*" means one New Board member to be selected by JPMorgan Noteholders, which member shall be reasonably satisfactory to the Ad Hoc 8.625% Noteholders, and designated by the Debtors.

78. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

79. "*Lien*" means a lien as defined in section 101(37) of the Bankruptcy Code.

80. "*Management Equity Incentive Plan*" means the management equity incentive plan to be implemented on the Effective Date, the form of which shall be included in the Plan Supplement and shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders, pursuant to which 10% of the fully-diluted and fully-distributed New Common Equity shall be reserved for issuance to certain management employees pursuant to the Plan.

81. "*NBC*" means Nebraska Book Company, Inc.

82. "*New ABL Facility*" means the $75 million asset-backed revolving credit facility, the form of which shall be included in the Plan Supplement and shall have terms materially consistent with the terms on Exhibit C to the Restructuring and Support Agreement; *provided, however*, that any terms of the New ABL Facility that are not explicit in or consistent with the terms set forth in Exhibit C to the Restructuring and Support Agreement that will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders shall be satisfactory to such Holders.

83. "*New Board*" means, the board of directors of Nebraska Book Company, Inc. on and after the Effective Date and the list of the members shall be included in the Plan Supplement and shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders.

84. "*New Common Equity*" means common equity in Reorganized NBC.

85. "*New Organizational Documents*" means such certificates or articles of incorporation, by-laws, or such other applicable formation documents of each of the Reorganized Debtors and Reorganized NBC, which form shall be included in the Plan Supplement and shall be reasonably satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders; *provided, however*, that to the extent any provisions will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, they shall be satisfactory to such Holders.

86. "*New Senior Secured Notes*" means the $250 million senior secured notes to be issued by NBC, the form of which shall be included in the Plan Supplement and shall be reasonably satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders; *provided, however*, that to the extent any provisions will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, they shall be satisfactory to such Holders; *provided, further*, if the New Senior Secured Notes contain terms less favorable to the Debtors and their creditors than those set forth in Exhibit D to the Restructuring and Support Agreement, such terms must be satisfactory to counsel to the Ad Hoc 8.625% Noteholders and counsel to the JPMorgan Noteholders.

87. "*New Senior Secured Notes Indenture*" means the indenture for the New Senior Secured Notes, the form of which shall be included in the Plan Supplement and shall be reasonably satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders; *provided, however*, that to the extent any provisions will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, they shall be satisfactory to such Holders; *provided, further*, if the New Senior Secured Notes Indenture evidences terms less favorable to the Debtors and their creditors than those set forth in Exhibit D to the Restructuring and Support Agreement, such terms must be satisfactory to counsel to the Ad Hoc 8.625% Noteholders and counsel to the JPMorgan Noteholders.

88. "*New Senior Secured Notes Indenture Trustee*" means the indenture trustee for the New Senior Secured Notes.

89. "*New Senior Unsecured Notes*" means the $110 million senior unsecured notes to be issued by NBC, the form of which shall be included in the Plan Supplement, which shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders, and shall have terms materially consistent with the terms set forth in Exhibit E to the Restructuring and Support Agreement.

90. "*New Senior Unsecured Notes Indenture*" means the indenture for the New Senior Unsecured Notes, the form of which shall be included in the Plan Supplement which shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders, and shall have terms materially consistent with the terms set forth in Exhibit E to the Restructuring and Support Agreement.

91. "*New Warrants*" means the warrants that may be issued to Holders of HoldCo Interests, the form of which shall be included in the Plan Supplement and shall have terms materially consistent with the terms set forth in Exhibit F to the Restructuring and Support Agreement; *provided, however*, that any terms of the New Warrants that are not explicit in or consistent with the terms set forth in Exhibit F to the Restructuring and Support Agreement

that will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders shall be satisfactory to such Holders.

92. "*Indenture Trustees*" means, collectively, the 8.625% Notes Trustee, the AcqCo Notes Trustee, and the Senior Secured Notes Trustee.

93. "*Other Secured Claim*" means any Secured Claim other than a/an: (a) ABL Facility Claim; (b) Senior Secured Notes Claim; or (c) Intercompany Claim.

94. "*Petition Date*" means June **[27]**, 2011, the date on which the Debtors commenced the Chapter 11 Cases.

95. "*Plan*" means this *Joint Plan of Reorganization of the Nebraska Book Company, Inc., et al. Pursuant to Chapter 11 of the Bankruptcy Code*, including the Plan Supplement, which is incorporated herein by reference.

96. "*Plan Supplement*" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan to be Filed by the Debtors no later than ten days prior to the deadline to vote on the Plan or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and additional documents filed with the Bankruptcy Court prior to the Effective Date as amendments to the Plan Supplement, comprised of, among other documents, the following: (a) New Organizational Documents; (b) Rejected Executory Contract and Unexpired Lease List; (c) a list of retained Causes of Action; (d) Restructuring Transaction Memorandum; (e) Management Equity Incentive Plan and employment agreements with certain management employees; (f) New Senior Secured Notes Indenture; (g) New Unsecured Notes Indenture; (h) Registration Rights Agreement; (i) Shareholders Agreement; (j) the form of New Warrants; and (k) the identity of the New Board and management for the Reorganized Debtors, with documents identified in (a) through (f), and (j) to be reasonably satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders; provided, however, that to the extent any provision will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders it shall be satisfactory to such Holders and with documents identified in (g) through (i) and (k) to be satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders; *provided, further*, if document (f) evidences terms less favorable to the Debtors and their creditors than those set forth in Exhibit D to the Restructuring and Support Agreement, such terms must be satisfactory to counsel to the Ad Hoc 8.625% Noteholders and counsel to the JPMorgan Noteholders. Any reference to the Plan Supplement in this Plan shall include each of the documents identified above as (a) through (k). The Debtors shall have the right to amend the documents contained in the Plan Supplement through and including the Effective Date in accordance with Article IX hereof, but such amendments shall be reasonably satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders; provided, however, that to the extent any such amendments will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders they shall be satisfactory to such Holders.

97. "*Postpetition Period*" means the period of time following the Petition Date through the Confirmation Date.

98. "*Priority Non-Tax Claims*" means any Claim, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

99. "*Priority Tax Claim*" means the Claims of governmental units of the type specified in section 507(a)(8) of the Bankruptcy Code.

100. "*Pro Rata*" means the proportion that a Claim or Interest in a particular class bears to the aggregate amount of the Claims or Interests in that class, or the proportion of the Claims or Interests in a particular class and other classes entitled to share in the same recovery as such Claim or Interest under the Restructuring.

101. "*Professional*" means an Entity: (a) employed pursuant to a Bankruptcy Court order in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered

prior to or on the Confirmation Date, pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code; or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

102. "*Professional Fee Claims*" means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Confirmation Date.

103. "*Professional Fee Order*" means that certain order of the Bankruptcy Court entered on **[TO COME]**, establishing procedures for interim compensation and reimbursement of expenses of Professionals **[Docket No. xxx]**.

104. "*Proof of Claim*" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

105. "*Proof of Interest*" means a proof of Interest Filed against any of the Debtors in the Chapter 11 Cases.

106. "*Registration Rights Agreement*" means the registration rights agreement to be implemented on the Effective Date, the form of which shall be included in the Plan Supplement and shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders.

107. "*Reinstated*" means: (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim or Interest entitles the Holder of such Claim or Interest so as to leave such Claim or Interest Unimpaired; or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of a Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) expressly does not require to be cured; (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim or Interest as such maturity existed before such default; (iii) compensating the Holder of such Claim or Interest for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim or Interest arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensating the Holder of such Claim or Interest (other than a Debtor or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder.

108. "*Rejected Executory Contract and Unexpired Lease List*" means the list (as may be amended), as determined by the Debtors or the Reorganized Debtors, as applicable, of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be rejected by the Reorganized Debtors pursuant to the provisions of Article V hereof.

109. "*Released Party*" means each of: (a) the ABL Agent, in its capacity as such; (b) the ABL Lenders, in their capacity as such; (c) the Senior Secured Noteholders, in their capacity as such; (d) the Senior Secured Notes Trustee, in its capacity as such; (e) the 8.625% Noteholders, in their capacity as such; (f) the 8.625% Notes Trustee, in its capacity as such; (g) the AcqCo Noteholders, in their capacity as such; (h) the AcqCo Notes Trustee, in its capacity as such; (i) the Holders of HoldCo Interests, in their capacity as such, only if such Holders of HoldCo Interests either: (i) execute a joinder to the Plan Support Agreement, which binds at least 90% in amount of the Holdco Interests to support the Restructuring Transactions; or (ii) do not object to the Plan evidencing the Restructuring and Class 10 votes to accept the Plan; (j) with respect to each of the foregoing entities in clauses (a) through (i), such Entity's current and former affiliates, subsidiaries, officers, directors, principals, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such; and (k) the Debtors' current and former affiliates, subsidiaries, officers, directors, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, in each case in their capacity as such.

110. "*Reorganized Debtors*" means, collectively, the Debtors after the Effective Date.

111. "*Reorganized NBC*" means NBC after the Effective Date.

112. "*Reorganized NBC Total Enterprise Value*" means the value of the Reorganized Debtors in the amount of approximately $[___] as of the Effective Date.

113. "*Restructuring Documents*" means the various agreements and other documentation formalizing the Restructuring, including the Restructuring and Support Agreement.

114. "*Restructuring and Support Agreement*" means that certain Restructuring and Support Agreement, dated as of June [__], 2011, by and among the Debtors, the JPMorgan Noteholders, and the Ad Hoc 8.625% Noteholders.

115. "*Restructuring Transactions*" means those mergers, amalgamations, consolidations, arrangements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Debtors determine to be necessary, and are reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders to effect the Restructuring.

116. "*Restructuring Transactions Memorandum*" means the memorandum describing the Restructuring Transactions, including those inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Debtors or the Reorganized Debtors may determine to be necessary to implement the Restructuring Transactions and to effect a restructuring of a Debtor's business or a restructuring of the overall corporate structure of the Reorganized Debtors, which will be included in the Plan Supplement.

117. "*Schedules*" means the schedules of assets and liabilities, schedules of Executory Contracts or Unexpired Leases, and statement of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, the official bankruptcy forms, and the Bankruptcy Rules, as they may be amended, modified, or supplemented from time to time.

118. "*Secured*" means when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in the Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) Allowed as such pursuant to the Plan.

119. "*Securities Act*" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, together with the rules and regulations promulgated thereunder.

120. "*Security*" means a security as defined in section 2(a)(1) of the Securities Act.

121. "*Senior Secured Notes*" means the $200 million 10% senior secured notes due December 1, 2011, issued by NBC pursuant to the Senior Secured Notes Indenture.

122. "*Senior Secured Notes Claims*" means any Claim derived from or based upon the Senior Secured Notes.

123. "*Senior Secured Notes Indenture*" means that certain indenture, dated October 2, 2009, by and among NBC, all of NBC's affiliates, as guarantors, and Wilmington Trust FSB, as collateral agent.

124. "*Senior Secured Notes Trustee*" means Wilmington Trust FSB, as collateral agent under the Senior Secured Notes Indenture.

125. "*Shareholders Agreement*" means the shareholders agreement to be implemented on the Effective Date, the form of which shall be included in the Plan Supplement and shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders.

126. "*Subordinated Securities Claim*" means a Claim of the type described in, and subject to subordination pursuant to section 510(b) of the Bankruptcy Code.

127. "*Unexpired Lease*" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

128. "*Unimpaired*" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

129. "*Unsecured Claim*" means any Claim that is not a Secured Claim.

130. "*Weston Presidio*" means a group of jointly managed private equity funds, including Weston Presidio Capital, III, L.P., Weston Presidio Capital IV, L.P., WPC Entrepreneur Fund, L.P., and WPC Entrepreneur Fund II, L.P.

B. Rules of Interpretation.

For purposes of this Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed or to be Filed shall mean that document, schedule, or exhibit, as it may thereafter be amended, modified, or supplemented; (4) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (5) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (6) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (7) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) subject to the provisions of any contract, certificate of incorporation, by-law, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (9) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (10) unless otherwise specified herein, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (11) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (12) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (13) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated; and (14) any immaterial effectuating provisions may be interpreted by the Reorganized Debtors in such a manner that is consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

C. Computation of Time.

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to

the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. Governing Law.

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in Delaware shall be governed by the laws of the state of incorporation of the relevant Debtor or the Reorganized Debtors, as applicable.

E. Reference to Monetary Figures.

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II.
ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III hereof.

A. Administrative Claims.

1. General Administrative Claims.

Except as specified in this Article II hereof, unless otherwise agreed to by the Holder of a General Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, each Holder of an Allowed General Administrative Claim will receive, in full satisfaction of its General Administrative Claim, Cash equal to the amount of such Allowed General Administrative Claim either: (a) on the Effective Date; (b) if the General Administrative Claim is not Allowed as of the Effective Date, 30 days after the date on which an order allowing such General Administrative Claim becomes a Final Order, or as soon thereafter as reasonably practicable; or (c) if the Allowed General Administrative Claims are based on liabilities incurred by the Debtors in the ordinary course of their business during the Postpetition Period, pursuant to the terms and conditions of the particular transaction giving rise to such Allowed General Administrative Claims, without any further action by the Holders of such Allowed General Administrative Claims.

2. Professional Compensation.

(a) Final Fee Applications.

All final requests for payment of Professional Fee Claims, including the Holdback Amount and Professional Fee Claims incurred during the period from Petition Date through the Effective Date, must be filed with the Bankruptcy Court and served on the Reorganized Debtors no later than 30 days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court in the Chapter 11 Cases, the allowed amounts of such Professional Fee Claims shall be determined by the Bankruptcy Court.

(b) Payment of Interim Amounts.

Subject to the Holdback Amount, on the Effective Date, the Debtors or the Reorganized Debtors, as applicable, shall pay all amounts owing to Professionals for all outstanding amounts payable in accordance with the Professional Fee Order relating to prior periods through the Effective Date. To receive payment, on or before the Effective Date, each Professional shall submit a detailed invoice covering such period in the manner and providing the detail as set forth in the Professional Fee Order.

(c) Post-Effective Date Fees and Expenses.

Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Reorganized Debtors. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

B. DIP Claims

Except to the extent that a Holder of an Allowed DIP Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed DIP Claim, each such Allowed DIP Claim shall be paid in full in Cash by the Debtors on the Effective Date.

C. Priority Tax Claims.

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each Holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests.

Claims and Interests, except for Administrative Claims and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

1. Substantive Consolidation of the Debtor Estates.

Pursuant to Article IV.A hereof, the Plan provides for the consensual substantive consolidation of the Estates into a single Estate for all purposes associated with Confirmation and Consummation. As a result of the substantive consolidation of the Estates, each Class of Claims and Interests will be treated as against a single consolidated Estate without regard to the separate identification of the Debtors.

2. Class Identification.

The classification of Claims and Interests against the Debtors pursuant to the Plan is as follows:

Class	Claims and Interests	Status	Voting Rights
Class 1	ABL Facility Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 2	Senior Secured Notes Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 3	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 4	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 5	8.625% Notes Claims	Impaired	Entitled to Vote
Class 6	AcqCo Notes Claim	Impaired	Entitled to Vote
Class 7	General Unsecured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 8	Intercompany Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 9	Intercompany Interests	Unimpaired	Not Entitled to Vote (Deemed to Accept)
Class 10	HoldCo Interests	Impaired	Entitled to Vote
Class 11	Subordinated Securities Claims	Impaired	Not Entitled to Vote (Deemed to Reject)

B. Treatment of Claims and Interests.

1. Class 1 - ABL Facility Claims.

(a) *Classification*: Class 1 consists of all ABL Facility Claims.

(b) *Allowance:* The ABL Facility Claims are Allowed in an aggregate amount equal to approximately $[___] million.

(c) *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class 1 agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class 1, each such Holder shall be paid in full in Cash.

(d) *Voting*: Class 1 is Unimpaired under the Plan. Holders of Claims in Class 1 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

2. Class 2 - Senior Secured Notes Claims.

(a) *Classification*: Class 2 consists of all Senior Secured Notes Claims.

(b) *Allowance:* The Senior Secured Notes Claims are Allowed in an aggregate amount equal to approximately $[___] million.

(c) *Treatment*: Except to the extent that a Holder of an Allowed Claim in Class 2 agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class 2, each such Holder shall be paid in full in Cash.

(d) *Voting*: Class 2 is Unimpaired under the Plan. Holders of Claims in Class 2 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

3. Class 3 - Other Secured Claims.

(a) *Classification*: Class 3 consists of all Other Secured Claims.

(b) *Treatment*: On the Effective Date, except to the extent that a Holder of an Allowed Claim in Class 3 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class 3, each such Holder shall receive, at the option of the Debtors, subject to the consent of counsel to the Ad Hoc 8.625% Noteholders and counsel to the JPMorgan Noteholders, such consent not to be unreasonably withheld, either:

(i) payment in full in cash;

(ii) delivery of collateral securing any such Claim and payment of any interest required under section 506(b) of the Bankruptcy Code;

(iii) reinstatement of such Other Secured Claims; or

(iv) other treatment rendering such Claim Unimpaired.

(c) *Voting:* Class 3 is Unimpaired under the Plan. Holders of Claims in Class 3 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

4. Class 4 - Other Priority Claims

(a) *Classification*: Class 4 consists of all Other Priority Claims.

(b) *Treatment*: On the Effective Date, except to the extent that a Holder of an Allowed Claim in Class 4 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class 4, each such Holder shall receive, at the option of the Debtors, subject to the consent of counsel to the Ad Hoc 8.625% Noteholders and counsel to the JPMorgan Noteholders, such consent not to be unreasonably withheld, either:

(i) payment in full in cash; or

(ii) other treatment rendering such Claim Unimpaired.

(c) *Voting*: Class 4 is Unimpaired under the Plan. Holders of Claims in Class 4 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

5. Class 5 - 8.625% Notes Claims.

(a) *Classification:* Class 5 consists of all 8.625% Notes Claims.

(b) *Allowance:* The 8.625% Notes Claims shall be allowed in an aggregate amount equal to approximately $[__] million.

(c) *Treatment:* On the Effective Date, except to the extent that a Holder of an Allowed Claim in Class 5 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class 5, each such Holder shall receive its Pro Rata share of:

(i) the Cash Payment;

(ii) the New Senior Unsecured Notes; and

(iii) 78% of the New Common Equity.

(d) *Voting:* Class 5 is Impaired under the Plan. Holders of Allowed Claims in Class 5 are entitled to vote to accept or reject the Plan.

6. Class 6 - AcqCo Notes Claims.

(a) *Classification:* Class 6 consists of all AcqCo Notes Claims.

(b) *Allowance:* The AcqCo Notes Claims shall be allowed in an aggregate amount equal to approximately $[___] million.

(c) *Treatment:* On the Effective Date, except to the extent that a Holder of an Allowed Claim in Class 6 agrees to a less favorable treatment of its Allowed Claim, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Claim in Class 6, each such Holder shall receive its Pro Rata share of 22% of the New Common Equity.

(d) *Voting:* Class 6 is Impaired under the Plan. Holders of Allowed Claims in Class 6 are entitled to vote to accept or reject the Plan.

7. Class 7 - General Unsecured Claims.

(a) *Classification*: Class 7 consists of all General Unsecured Claims.

(b) *Treatment*: On the Effective Date, except to the extent that a Holder of an Allowed Claim in Class 7 agrees to a less favorable treatment of its Allowed Claim or has been paid prior to the Effective Date, each such Allowed Claim shall be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code or each Holder of an Allowed Claim in Class 7 shall be paid in full in Cash on the Distribution Date or soon thereafter. The Debtors reserve their rights, however to dispute the validity of any Claim in Class 7, whether or not objected to prior to the Effective Date.

(c) *Voting*: Class 7 is Unimpaired under the Plan. Holders of Claims in Class 7 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

8. Class 8 - Intercompany Claims.

(a) *Classification*: Class 8 consists of all Intercompany Claims.

(b) *Treatment*: Intercompany Claims may be Reinstated as of the Effective Date or, at the Debtors' or the Reorganized Debtors' option, subject to the consent of the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, such consent not to be unreasonably withheld, be cancelled, and no distribution shall be made on account of such Claims.

(c) *Voting*: Class 8 is Unimpaired under the Plan. Holders of Claims in Class 8 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

9. Class 9 - Intercompany Interests.

(a) *Classification:* Class 9 consists of all Intercompany Interests.

(b) *Treatment*: Intercompany Interests may be Reinstated as of the Effective Date or, at the Debtors' or the Reorganized Debtors' option, subject to the consent of the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, such consent not to be unreasonably withheld, be cancelled, and no distribution shall be made on account of such Interests.

(c) *Voting*: Class 9 is Unimpaired under the Plan. Holders of Interests in Class 9 are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

10. Class 10 - HoldCo Interests.

(a) *Classification:* Class 10 consists of all HoldCo Interests.

(b) *Treatment*: On the Effective Date, all Interests in Class 10 shall be cancelled without any distribution or recovery on account of such Interest; *provided, however*, that if Weston Presidio and each of its affiliates which are Holders of HoldCo Interests either (i) executes a joinder to the Plan Support Agreement which binds at least 90% in amount of the Holdco Interests to support the Restructuring Transactions, or (ii) does not object to

the Plan evidencing the Restructuring and votes to accept the Plan, each Holder of an Interest in Class 10 shall receive its Pro Rata share of the New Warrants.

(c) *Voting:* Class 10 is Impaired under the Plan. Holders of Interests in Class 10 are entitled to vote to accept or reject the Plan.

11. Class 11 - Subordinated Securities Claims.

(a) *Classification:* Class 11 consists of all Subordinated Securities Claims.

(b) *Treatment:* On the Effective Date, all Claims in Class 11 shall be cancelled without any distribution.

(c) *Voting:* Class 11 is Impaired under the Plan. Holders of Claims in Class 11 are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

C. Special Provision Governing Unimpaired Claims.

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Unimpaired Claims, including, all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claims.

D. Acceptance or Rejection of the Plan.

1. Voting Classes.

Classes 5, 6, and 10 are Impaired under the Plan. The Holders of Claims and Interests in such Classes are entitled to vote to accept or reject the Plan.

2. Presumed Acceptance of the Plan.

Classes 1, 2, 3, 4, 7, 8, and 9 are Unimpaired under the Plan. The Holders of Claims and Interests in such Classes are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

3. Presumed Rejection of Plan.

Class 11 is Impaired and shall receive no distribution under the Plan. The Holders of Claims in Class 11 are deemed to have rejected the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan.

E. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by Classes 5 or 6. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

F. Controversy Concerning Impairment.

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

G. Subordinated Claims.

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. Substantive Consolidation.

The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order substantively consolidating all of the Estates and its subsidiaries into a single consolidated Estate for all purposes associated with Confirmation and Consummation.

If substantive consolidation of all of the Estates is ordered, then on and after the Effective Date, all assets and liabilities of the Debtors shall be treated as though they were merged into the Estate of NBC for all purposes associated with Confirmation and Consummation, and all guarantees by any Debtor of the obligations of any other Debtor shall be eliminated so that any Claim and any guarantee thereof by any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor shall be treated as one collective obligation of the Debtors. Substantive consolidation shall not affect the legal and organizational structure of the Reorganized Debtors' Entities or their separate corporate existences or any prepetition or postpetition guarantees, Liens, or security interests that are required to be maintained under the Bankruptcy Code, under the Plan, any contract, instrument, or other agreement or document pursuant to the Plan (including the New Senior Secured Notes Indenture, New Senior Unsecured Notes Indenture, New ABL Facility, New Warrants, Registration Rights Agreement, or Shareholders Agreement, or the identity of the New Board and management), or, in connection with contracts or leases that were assumed or entered into during the Chapter 11 Cases. Any alleged defaults under any applicable agreement with the Debtors, the Reorganized Debtors, or their Affiliates arising from substantive consolidation under the Plan shall be deemed cured as of the Effective Date.

Notwithstanding the substantive consolidation provided for herein, nothing shall affect the obligation of each and every Debtor to pay Quarterly Fees to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930 until such time as a particular case is closed, dismissed, or converted.

B. General Settlement of Claims and Interests.

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. Subject to Article VI hereof, all distributions made to Holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final.

C. Restructuring Transactions.

On the Effective Date, the applicable Debtors or the Reorganized Debtors shall enter into the Restructuring Transactions in form and substance reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, and shall take any actions as may be necessary to effect a corporate restructuring of their respective businesses or a corporate restructuring of the overall corporate structure of the Debtors, to the extent provided therein. The Restructuring may include one or more inter-company mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, liquidations, or other corporate

transactions as may be determined by the Debtors to be necessary, and reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders. The actions to effect the Restructuring may include: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Restructuring and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Restructuring and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable state or provincial law; and (4) all other actions that the applicable Entities determine to be necessary, including making filings or recordings that may be required by applicable law in connection with the Restructuring.

The terms of the Restructuring shall be structured to preserve favorable tax attributes of the Debtors and to minimize taxes payable by the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders to the extent practicable and in a manner reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders.

D. Reorganized NBC.

On the Effective Date, the New Board of Reorganized NBC shall be established and Reorganized NBC shall adopt its New Organizational Documents and the Management Equity Incentive Plan. Reorganized NBC shall be authorized to adopt any other agreements, documents, and instruments and to take any other actions contemplated under the Plan as necessary to consummate the Plan.

E. Existing Letters of Credit.

On the Effective Date, subject to (F) below, all Existing Letters of Credit shall be Reinstated and continue to remain outstanding.

F. Sources of Consideration for Plan Distributions.

The Reorganized Debtors shall fund distributions under the Plan with Cash on hand, including Cash from operations, the New ABL Facility, the New Senior Secured Notes, the New Senior Unsecured Notes, the New Common Equity, and the New Warrants.

1. New ABL Facility.

On the Effective Date, the Reorganized Debtors may obtain access to the New ABL Facility, which shall be reasonably satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders; *provided, however*, that to the extent any provision will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, it shall be satisfactory to such Holders. Confirmation shall be deemed approval of New ABL Facility (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith) and authorization for the Reorganized Debtors to enter into and execute New ABL Facility documents, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate such New ABL Facility.

2. New Senior Secured Notes.

On the Effective Date, the Reorganized Debtors may issue the New Senior Secured Notes, which shall be reasonably satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders; *provided, however*, that to the extent any provisions will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, they shall be satisfactory to such Holders; *provided, further*, if the New Senior Secured Notes contain terms less favorable to the Debtors and their creditors than those set forth in Exhibit D to the Restructuring and Support Agreement, such terms must be satisfactory to counsel to the

Ad Hoc 8.625% Noteholders and counsel to the JPMorgan Noteholders. Confirmation shall be deemed approval of New Senior Secured Notes (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith) and authorization for the Reorganized Debtors to enter into and execute New Senior Secured Notes documents, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate such New Senior Secured Notes.

3. New Senior Unsecured Notes.

On the Effective Date, the Reorganized Debtors may issue the New Senior Unsecured Notes, which shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders, and shall have terms materially consistent with the terms set forth in Exhibit E to the Restructuring and Support Agreement. Confirmation shall be deemed approval of New Senior Secured Notes (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith) and authorization for the Reorganized Debtors to enter into and execute New Senior Unsecured Notes documents, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate such New Senior Unsecured Notes.

4. Issuance of New Common Equity.

The issuance of the New Common Equity, including options, or other equity awards, if any, reserved for the Management Equity Incentive Plan, by Reorganized NBC is authorized without the need for any further corporate action or without any further action by the Holders of Claims or Interests. Reorganized NBC shall be authorized to issue up to **[TO COME]** shares of New Common Equity pursuant to its New Organizational Documents. On the Effective Date, the Debtors shall issue all securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Restructuring.

All of the shares of New Common Equity issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance referred to in Article VI hereof shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. For purposes of distribution, the New Common Equity shall be deemed to have the value assigned to it based upon, among other things, the Reorganized NBC Total Enterprise Value, regardless of the date of distribution.

The Holders of New Common Equity may be parties to the Shareholders Agreement, which shall be in form and substance satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders.

The holders of New Common Equity and the Debtors shall be parties to the Registration Rights Agreement, which shall be satisfactory in form and substance to the Ad Hoc 8.625% Noteholders, and the JPMorgan Noteholders, obligating the Reorganized Debtors to register for resale certain shares of the New Common Equity under the Securities Act in accordance with the terms set forth in such agreement.

5. Issuance of New Warrants.

Within 30 days of the Effective Date, if Class 10 votes to accept the Plan and does not object to the Plan, Reorganized NBC shall issue the New Warrants to the Holders of Interests in Class 10, pursuant to the terms of the New Warrants Agreement. All of the New Warrants issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance referred to in Article VI hereof shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

G. Intercompany Account Settlement.

The Debtors and the Reorganized Debtors, as applicable, will be entitled to transfer funds between and among themselves as they determine to be necessary to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate the terms of the Plan.

H. Corporate Existence.

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and by-laws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and by-laws (or other formation documents) are amended under the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

I. Vesting of Assets in the Reorganized Debtors.

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan, on the Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens securing obligations under the New ABL Facility, New Senior Secured Notes, and the Liens securing obligations on account of Other Secured Claims that are reinstated pursuant to the Plan). On and after the Effective Date, except as otherwise provided in the Plan, each the Reorganized Debtors may operate their business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

J. Cancellation of Existing Securities and Agreements.

On the Effective Date, except to the extent otherwise provided in the Plan, all notes, instruments, certificates, and other documents evidencing Claims or Interests, including 8.625% Notes Claims, ABL Facility Claims, Senior Secured Notes Claims, Subordinated Securities Claims, and credit agreements, shall be deemed cancelled and surrendered without any need for a Holder to take further action with respect to any note(s) or security and the obligations of the Debtors or Reorganized Debtors, as applicable, thereunder or in any way related thereto shall be deemed satisfied in full and discharged; *provided, however*, that notwithstanding Confirmation or Consummation, any such indenture or agreement that governs the rights of the Holder of a Claim shall continue in effect solely for purposes of allowing Holders to receive distributions under the Plan; *provided further, however*, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan, or result in any expense or liability to the Reorganized Debtors; *provided further, however*, that the foregoing shall not affect the cancellation of shares issued pursuant to the Restructuring Transactions nor any other shares held by one Debtor in the capital of another Debtor.

K. Corporate Action.

Upon the Effective Date, all actions contemplated under the Plan shall be deemed authorized and approved in all respects, including: (1) adoption or assumption, as applicable, of the agreements with existing management; (2) selection of the directors and officers for the Reorganized Debtors and Reorganized NBC; (3) the distribution of the New Common Equity; (4) implementation of the Restructuring Transactions as set forth in the Restructuring Transactions Memorandum; (5) adoption of the Management Equity Incentive Plan; (6) issuance of the New Senior Secured Notes and New Senior Unsecured Notes; (7) issuance of the New Warrants; (8) entry into the ABL Facility;

(9) adoption of the Shareholders Agreement and Registration Rights Agreement; (10) assumption of the Expense Reimbursement Agreements; and (11) all other actions contemplated under the Plan (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors, the Reorganized Debtors, or Reorganized NBC in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors or officers of the Debtors, the Reorganized Debtors, or Reorganized NBC. On or (as applicable) prior to the Effective Date, the appropriate officers of the Debtors, the Reorganized Debtors, or Reorganized NBC, as applicable, shall be authorized and (as applicable) directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors and Reorganized NBC, including the New ABL Facility, New Senior Secured Notes, New Senior Unsecured Notes, New Warrants, Shareholder Agreement, and Registration Rights Agreement], as applicable, and any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article IV.K shall be effective notwithstanding any requirements under non-bankruptcy law. The issuance of the New Common Equity shall be exempt from the requirements of section 16(b) of the Securities Exchange Act of 1934 (pursuant to Rule 16b-3 promulgated thereunder) with respect to any acquisition of such securities by an officer or director (or a director deputized for purposes thereof) as of the Effective Date.

L. New Organizational Documents.

On or immediately prior to the Effective Date, the New Organizational Documents shall be amended in a manner reasonably satisfactory to the Debtors, the Ad Hoc 8.625% Noteholders, and the JPMorgan Noteholders; *provided, however* that to the extent such provision will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, it shall be satisfactory to such Holders. Each of the Reorganized Debtors will file its New Organizational Documents with the applicable Secretaries of State and/or other applicable authorities in its respective state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents will prohibit the issuance of non-voting equity securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents as permitted by the laws of their respective state, province, or country of incorporation and its respective New Organizational Documents.

M. Directors and Officers of the Reorganized Debtors.

As of the Effective Date, the term of the current members of the board of directors of the Debtors shall expire, and the initial boards of directors, including the New Boards, and the officers of each of the Reorganized Debtors shall be appointed in accordance with the respective New Organizational Documents. The New Board shall consist of five members, and include (a) the two Ad Hoc Members, (b) the one JPM Member, (c) one member to be jointly selected by the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, and (d) the Chief Executive Officer of the Company. The Ad Hoc Members and the JPM Member shall each be members of the audit, governance and compensation committees. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial board of directors or be an officer of each of the Reorganized Debtors. To the extent any such director or officer of the Reorganized Debtors is an "insider" under the Bankruptcy Code, the Debtors also will disclose the nature of any compensation to be paid to such director or officer. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

N. Effectuating Documents; Further Transactions.

On and after the Effective Date, the Reorganized Debtors, and the officers and members of the boards of directors thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary to effectuate, implement, and further evidence the terms and conditions of the Plan and the Securities issued pursuant to the Plan

in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

O. Section 1146 Exemption.

Pursuant to section 1146 of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax, recordation fee, or governmental assessment.

P. Director and Officer Liability Insurance.

On or before the Effective Date, the Reorganized Debtors will obtain sufficient liability insurance policy coverage for the five-year period following the Effective Date with a cost not to exceed $200,000 for the Debtors' current and former directors and officers serving from and after the Petition Date.

Q. Management Equity Incentive Program.

On the Effective Date, the Debtors shall adopt the Management Equity Incentive Plan. The Management Equity Incentive Plan will cover 10% of the fully-diluted and fully-distributed shares of New Common Equity contemplated herein, with such percent being diluted for additional stock issuances by the Debtors (other than pursuant to such issuances contemplated by the Restructuring, including pursuant to the Management Equity Incentive Plan) following the Effective Date. On the Effective Date: (a) 50% of the aggregate pool will be granted as restricted stock units (collectively, the "RSUs"); and (b) 25% of the aggregate pool will be granted in the form of stock options (collectively, the "Emergence Options," and together with the RSUs, the "Emergence Award"). The remaining 25% will be granted in the future as stock options (the "Remaining Options," and together with the Emergence Award, the "Incentive Award"), vesting based on the achievement of reasonably attainable performance goals determined by the New Board in good faith. The Chief Executive Officer shall provide a proposed allocation for the Emergence Award to the Ad Hoc 8.625% Noteholders and JPMorgan Member at least 21 days prior to the Effective Date. Such allocation shall be as agreed upon by the Chief Executive Officer, the Ad Hoc 8.625% Noteholders, and JPMorgan Member prior to the Effective Date. The Emergence Award will vest in four equal annual installments on the anniversary of the Effective Date. The Remaining Options will be granted within four years of the Effective Date and will vest and become exercisable in annual installments, as determined by the New Board over a period that will not exceed four years. Any Incentive Award shall automatically vest upon: (i) the death, disability, termination without "cause", or termination for "good reason"; or (ii) a change in control of the Debtors following the Effective Date. Shares of New Common Equity acquired in connection with any Incentive Award will be subject to customary restrictions on transfer and will have customary tag along and registration rights. To the extent no equity security of the Debtors is publicly traded at the time a tax liability is incurred, the Debtors shall, at the holder's election, withhold sufficient New Common Equity to pay any taxes due upon settlement of any Incentive Award.

R. Employee and Retiree Benefits.

In consideration for releasing all Claims against the companies, all employees that are party to employment, retirement, indemnification, and other agreements or arrangements with the Debtors in place as of the Effective Date with the Debtors' officers, directors, or employees, who will continue in such capacities or similar capacities after the Effective Date, or variable incentive plans regarding payment of a percentage of annual salary based on performance goals and financial targets for certain employees identified as key leaders, top level managers, or sales leaders shall receive new employment agreements with the Reorganized Debtors, which shall have economic terms that are not less favorable to such employee than such employee's current employment agreement, as satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders.

S. Preservation of Causes of Action.

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII hereof, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, including in Article VIII. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain the Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases.

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases, not previously assumed or rejected pursuant to an order of the Bankruptcy Court, will be deemed assumed, in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than those Executory Contracts or Unexpired Leases that: (1) previously were assumed or rejected by the Debtors; (2) are identified on the Rejected Executory Contract and Unexpired Lease List; (3) are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; or (4) are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and the rejection of the Executory Contracts or Unexpired Leases listed on the Rejected Executory Contract and Unexpired Lease List pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Bankruptcy Court on or after the Effective Date by a Final Order. Each Executory Contract and Unexpired Lease assumed pursuant to this Article V.A or by any order of the Bankruptcy Court, which has not been assigned to a third party prior to the Confirmation Date, shall revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as such terms are modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the schedules of Executory Contracts and Unexpired Leases identified in this Article V and in the Plan Supplement at any time through and including 45 days after the Effective Date.

B. Indemnification Obligations.

All indemnification provisions, consistent with applicable law, currently in place (whether in the by-laws, certificates of incorporation, board resolutions, indemnification agreements, or employment contracts) for the current and former directors, officers, employees (each of the foregoing serving in such capacity after the Petition Date), attorneys, accountants, investment bankers, and the Debtors shall be assumed by the applicable Debtor, effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code, to the extent such Indemnification Obligation is executory, unless such Indemnification Obligation previously was rejected by the Debtors pursuant to a Final Order or is the subject of a motion to reject pending on the Effective Date. Each Indemnification Obligation that is assumed, deemed assumed, honored, or reaffirmed shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

C. Claims Based on Rejection of Executory Contracts or Unexpired Leases.

Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be filed with the Bankruptcy Court within 30 days after the later of (1) the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection, (2) the effective date of such rejection, or (3) the Effective Date. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates, or their property without the need for any objection by the Reorganized Debtors or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.** All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B.6 hereof.

D. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed.

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitation described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (3) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least ten days prior to the Confirmation Hearing, the Debtors shall provide for notices of proposed assumption and proposed cure amounts to be sent to applicable third parties and for procedures for objecting thereto and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be filed, served, and actually received by the Debtors at least three days prior to the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time prior to the effective date of assumption. **Any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court.**

E. Preexisting Obligations to the Debtors under Executory Contracts and Unexpired Leases.

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contracts or Unexpired Leases.

F. Insurance Policies.

Each of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, are treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims.

G. Modifications, Amendments, Supplements, Restatements, or Other Agreements.

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

H. Reservation of Rights.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Rejected Executory Contract and Unexpired Lease List, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any of the Reorganized Debtors has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or the Reorganized Debtors, as applicable, shall have 30 days following entry of a Final Order resolving such dispute to alter its treatment of such contract or lease.

I. Nonoccurrence of Effective Date.

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

J. Contracts and Leases Entered Into After the Petition Date.

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the applicable Debtor or the Reorganized Debtors liable thereunder in the ordinary course of their business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Timing and Calculation of Amounts to Be Distributed.

Unless otherwise provided in the Plan, on the Effective Date (or if a Claim is not an Allowed Claim or Allowed Interest on the Effective Date, on the date that such Claim or Interest becomes an Allowed Claim or Allowed Interest, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim or Allowed Interests shall receive the full amount of the distributions that the Plan provides for Allowed Claims or Allowed Interests in the applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims or Disputed Interests, distributions on account of any such Disputed Claims or Disputed Interests shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided in the Plan, Holders of Claims or Interests shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. Disbursing Agent.

All distributions under the Plan shall be made by the Disbursing Agent on the Effective Date. The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the Reorganized Debtors.

C. Rights and Powers of Disbursing Agent.

1. Powers of the Disbursing Agent.

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date.

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

D. Delivery of Distributions and Undeliverable or Unclaimed Distributions.

1. Record Date for Distribution.

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record Holders listed on the Claims Register as of the close of business on the Distribution Record Date.

2. Delivery of Distributions in General.

Except as otherwise provided herein, the Reorganized Debtors shall make distributions to Holders of Allowed Claims and Allowed Interests as of the Distribution Record Date at the address for each such Holder as

indicated on the Debtors' records as of the date of any such distribution; *provided, however*, that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors; *provided further, however*, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder.

3. Minimum Distributions.

No fractional shares of New Common Equity shall be distributed and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Allowed Claim or Allowed Interest would otherwise result in the issuance of a number of shares of New Common Equity that is not a whole number, the actual distribution of shares of New Common Equity shall be rounded as follows: (a) fractions of one-half (½) or greater shall be rounded to the next higher whole number and (b) fractions of less than one-half (½) shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares of New Common Equity to be distributed to holders of Allowed Claims and Allowed Interests shall be adjusted as necessary to account for the foregoing rounding.

4. Undeliverable Distributions and Unclaimed Property.

In the event that any distribution to any Holder is returned as undeliverable, no distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then-current address of such Holder, at which time such distribution shall be made to such Holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one year from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Interest in property shall be discharged and forever barred.

E. Manner of Payment.

1. All distributions of the New Common Equity to the Holders of Claims and Interests under the Plan shall be made by the Disbursing Agent on behalf of Reorganized NBC.

2. All distributions of the New ABL Facility, New Senior Secured Notes, New Senior Unsecured Notes, and New Warrants proceeds, as applicable, to the Holders of Claims under the Plan shall be made by the Disbursing Agent on behalf of the Reorganized Debtors.

3. All distributions of Cash under the Plan shall be made by the Disbursing Agent on behalf of the applicable Debtor.

4. At the option of the Disbursing Agent, any Cash payment to be made hereunder may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

F. Section 1145 Exemption.

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of the New Common Equity, as contemplated by Article III.B hereof to Classes 5 and 6, shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, distribution, or sale of Securities. In addition, under section 1145 of the Bankruptcy Code, such New Common Equity will be freely tradable in the U.S. by the recipients thereof, subject to the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with applicable securities laws and any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments and subject to any restrictions in the Shareholders Agreement, Registration Rights Agreement, and the Reorganized Debtors' New Organizational Documents.

G. Compliance with Tax Requirements.

In connection with the Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

H. Allocations.

Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

I. No Postpetition Interest on Claims.

Unless otherwise specifically provided for in the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims against the Debtors, and no Holder of a Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such Claim.

J. Setoffs and Recoupment.

The Debtors may, but shall not be required to, setoff against or recoup from any Claims of any nature whatsoever that the Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claim it may have against the Holder of such Claim.

K. Claims Paid or Payable by Third Parties.

1. Claims Paid by Third Parties.

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or a Reorganized Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within 14 days of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties.

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such

insurers' agreement, the applicable portion of such Claim may be expunged without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies.

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. Allowance of Claims.

After the Effective Date, each the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim or Interest immediately prior to the Effective Date.

B. Claims Administration Responsibilities.

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors shall have the sole authority: (1) to File, withdraw, or litigate to judgment, objections to Claims or Interests; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court.

C. *Estimation of Claims and Interests.*

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Bankruptcy Court estimate any Disputed Claim or Disputed Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or Interest or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest, including during the litigation of any objection to any Claim or Interest or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim or Interest that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim or Interest, that estimated amount shall constitute a maximum limitation on such Claim or Interest for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim or Interest.

D. Adjustment to Claims or Interests without Objection.

Any Claim or Interest that has been paid or satisfied, or any Claim or Interest that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtors without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. Time to File Objections to Claims.

Any objections to Claims shall be Filed on or before the later of (1) the date that is one year after the Effective Date and (2) such date as may be fixed by the Bankruptcy Court, after notice and a hearing, whether fixed before or after the date that is one year after the Effective Date.

F. Disallowance of Claims or Interests.

Any Claims or Interests held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims or Interests may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Bankruptcy Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Reorganized Debtors. All Claims Filed on account of an indemnification obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court. All Claims Filed on account of an employee benefit shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent the Reorganized Entities elect to honor such employee benefit, without any further notice to or action, order, or approval of the Bankruptcy Court.

Except as provided herein or otherwise agreed, any and all Proofs of Claim filed after the Bar Date shall be deemed disallowed and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Hearing such late Claim has been deemed timely filed by a Final Order.

G. Amendments to Claims or Interests.

On or after the Effective Date, a Claim or Interest may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and any such new or amended Claim or Interest Filed shall be deemed disallowed in full and expunged without any further action.

H. No Distributions Pending Allowance.

If an objection to a Claim or Interest or portion thereof is filed as set forth in Article VII.B hereof, no payment or distribution provided under the Plan shall be made on account of such Claim or Interest or portion thereof unless and until such Disputed Claim or Interest becomes an Allowed Claim or Interest.

I. Distributions After Allowance.

To the extent that a Disputed Claim or Disputed Interest ultimately becomes an Allowed Claim or Allowed Interest, distributions (if any) shall be made to the Holder of such Allowed Claim or Allowed Interest in accordance with the provisions of the Plan. As soon as practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim or Disputed Interest becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim or Interest the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals to be paid on account of such Claim or Interest unless required under applicable bankruptcy law.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Discharge of Claims and Termination of Interests.

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of,

Liens on, obligations of, rights against, and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtors prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default by the Debtors or Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

B. Release of Liens.

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, except for Other Secured Claims that the Debtors elect to reinstate in accordance with Article III.B.3 hereof, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns.

C. Releases by the Debtors.

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors from any and all Claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the Debtors would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Restructuring, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Restructuring, the business or contractual arrangements between the Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Restructuring, the negotiation, formulation, or preparation of the Restructuring Documents and related disclosures, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including actual fraud) or gross negligence.

D. Releases by Holders of Claims and Interests.

As of the Effective Date, except as otherwise specifically provided in the Plan and to the fullest extent permitted by law, for good and valuable consideration, Holders of Claims and Interests shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the Debtors and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Restructuring, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of,

or the transactions or events giving rise to, any Claim or Interest that is treated in the Restructuring, the business or contractual arrangements between any Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Restructuring, the negotiation, formulation, or preparation of the Restructuring Documents and related disclosures, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of the Debtors or Released Party that constitutes willful misconduct (including actual fraud) or gross negligence.

E. Exculpation.

Except as otherwise specifically provided in the Plan or Plan Supplement, no Released Party shall have or incur, and each Released Party is hereby released and exculpated from any claim, obligation, Cause of Action, or liability for any Exculpated Claim, except for gross negligence or willful misconduct (including actual fraud), but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Restructuring. The Released Parties have, and upon completion of the Restructuring shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the distribution of the New ABL Facility, the New Senior Secured Notes, the New Senior Unsecured Notes, the New Warrants, and the New Common Equity pursuant to the Restructuring and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Restructuring or such distributions made pursuant to the Restructuring.

F. Injunction.

Except as otherwise expressly provided in the Plan or Plan Supplement or for obligations issued pursuant to the Restructuring (including any obligations under the New ABL Facility, the New Senior Secured Notes, the New Senior Unsecured Notes, the New Warrants, and documents and instruments related thereto), all Entities who have held, hold, or may hold Claims or Interests that have been released pursuant to the Restructuring, discharged pursuant to the Restructuring, or are subject to exculpation pursuant to the Restructuring are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Restructuring.

G. Protections Against Discriminatory Treatment.

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

H. Setoffs.

Except as otherwise expressly provided for in the Plan, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may setoff against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Debtor or the Reorganized Debtors, as applicable, may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); *provided, however*, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such Holder. In no event shall any Holder of Claims be entitled to setoff any Claim against any Claim, right, or Cause of Action of a Debtor or a Reorganized Debtor, as applicable, unless such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 or otherwise.

I. Recoupment.

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim or against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

J. Subordination Rights.

The classification and treatment of all Claims and Interests under the Restructuring shall conform to and with the respective contractual, legal, and equitable subordination rights of such Claims and Interests, and any such rights shall be settled, compromised, and released pursuant to the Restructuring.

K. Document Retention.

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

L. Reimbursement or Contribution.

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Conditions Precedent to Confirmation.

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C hereof:

1. the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders; *provided, however*, that to the extent any such provision will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, it shall be satisfactory to such Holders;

2. the Confirmation Order shall:

(a) authorize the Debtors and the Reorganized Debtors to take all actions necessary to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with the Plan;

(b) decree that the provisions of the Confirmation Order and the Plan are nonseverable and mutually dependent;

(c) authorize the Reorganized Debtors to (i) issue the New Common Equity pursuant to the exemption from registration under the Securities Act provided by section 1145 of the Bankruptcy Code or other exemption from such registration or pursuant to one or more registration statements, (ii) issue the New Warrants, and (iii) enter into any agreements contained in the Plan Supplement;

(d) decree that the Confirmation order shall supersede any Bankruptcy Court orders issued prior to the Confirmation Date that may be inconsistent with the Confirmation Order;

(e) authorize the implementation of the Plan in accordance with its terms; and

(f) provide that, pursuant to section 1146 of the Bankruptcy Code, the assignment or surrender of any lease or sublease, and the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax (including, any mortgages or security interest filing to be recorded or filed in connection with New ABL Facility and New Senior Secured Notes, as applicable); and

3. the Plan must be in form and substance materially consistent with the draft Plan of Reorganization attached as Exhibit B to the Restructuring and Support Agreement, and any and all amendments thereto shall be reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders; *provided, however*, that to the extent such amendment will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, it shall be satisfactory to such Holders;

B. Conditions Precedent to the Effective Date.

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived pursuant to the provisions of Article IX.C hereof:

1. the Confirmation Order shall (a) have been entered in a form and substance satisfactory to the Debtors and reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders; *provided, however*,

that to the extent such provision will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, it shall be satisfactory to such Holders and (b) have become a final non-appealable order confirming the Plan;

2. the Plan confirmed shall be in form and substance materially consistent with the draft Plan filed as Exhibit B to the Restructuring and Support Agreement and any amendments thereto shall be reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders; *provided, however*, that to the extent such provision will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, it shall be satisfactory to such Holders;

3. the opinions of counsel shall have been provided and be reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders;

4. the corporate resolutions and other required documents shall be executed and be reasonably satisfactory to the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders;

5. closing certificates shall have been provided and be reasonably satisfactory to the Ad Hoc 8.625% Noteholder and the JPMorgan Noteholders;

6. the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been Filed;

7. all actions, documents, Certificates, and agreements necessary to implement the Plan, including documents contained in the Plan Supplement, shall have been effected or executed and delivered, as the case may be, to the required parties and, to the extent required, Filed with the applicable Governmental Units in accordance with applicable laws;

8. all authorizations, consents, regulatory approvals, rulings, or documents that are necessary to implement and effectuate the Plan shall have been received; and

9. the Debtors shall have entered into the New ABL Facility, New Senior Secured Notes Indenture, New Senior Unsecured Notes Indenture, Registration Rights Agreement, and Shareholders Agreement.

C. Waiver of Conditions.

The conditions to Confirmation and Consummation set forth in this Article IX may be waived only by consent of the Debtors, the Ad Hoc 8.625% Noteholders, and the JPMorgan Noteholders, without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan.

D. Effect of Failure of Conditions.

If Consummation does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by the Debtors, Claims, or Interests; (2) prejudice in any manner the rights of the Debtors, any Holders, or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any Holders, or any other Entity in any respect, including with respect to substantive consolidation and similar arguments.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments.

Except as otherwise specifically provided in the Plan, the Debtors, with the reasonable consent of the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code; *provided,*

however, that to the extent any such amendments will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders they shall be satisfactory to such Holders.. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, each of the Debtors expressly reserves its respective rights to revoke or withdraw, or, with the reasonable consent of the Ad Hoc 8.625% Noteholders and the JPMorgan Noteholders, to alter, amend, or modify the Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan; *provided, however*, that to the extent any such amendments will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders they shall be satisfactory to such Holders.. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article X.

B. Effect of Confirmation on Modifications.

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan.

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected under the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor or any other Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity, including with respect to substantive consolidation and similar arguments.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V hereof, any Executory Contracts or Unexpired Leases to the list of Executory

Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to Holders of Allowed Claims and Allowed Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

7. enter and implement such orders as may be necessary to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

9. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

10. issue injunctions, enter and implement other orders, or take such other actions as may be necessary to restrain interference by any Entity with Consummation or enforcement of the Plan;

11. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII hereof and enter such orders as may be necessary to implement such releases, injunctions, and other provisions;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.K.1 hereof;

13. enter and implement such orders as are necessary if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

14. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

15. enter an order or Final Decree concluding or closing the Chapter 11 Cases;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan;

17. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

18. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

20. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

21. hear and determine all disputes involving the existence, nature, scope, or enforcement of any exculpations, discharges, injunctions and released granted in the Plan, including under Article VIII hereof, regardless of whether such termination occurred prior to or after the Effective Date;

22. enforce all orders previously entered by the Bankruptcy Court; and

23. hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect.

Subject to Article IX.B hereof and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents.

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary to effectuate and further evidence the terms and conditions of the Plan, with the reasonable consent of the Ad Hoc 8.625% Noteholders and JPMorgan Noteholder *provided, however*, that to the extent any such agreements and documents will affect the nature, value, or form of the recovery to the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders they shall be satisfactory to such Holders.. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Statutory Fees.

All fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid by each of the Reorganized Debtors (or the Disbursing Agent on behalf of each of the Reorganized Debtors) for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

D. Certain Agreements.

On the Effective Date, the Debtors shall pay all amounts due under the Expense Reimbursement Agreements and the reasonable fees and expenses of Delaware counsel retained by the Ad Hoc 8.625% Noteholders and JPMorgan Noteholders.

E. Statutory Committee and Cessation of Fee and Expense Payment.

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committees after the Effective Date.

F. Reservation of Rights.

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests prior to the Effective Date.

G. Successors and Assigns.

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

H. Notices.

All notices, requests, and demands to or upon the Debtors to be effective shall be in writing (including by facsimile transmission) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

1. if to the Debtors, to:

Nebraska Book Company, Inc.
4700 South 19th Street,
Lincoln, Nebraska 68512
Attention: Alan Siemek, Chief Financial Officer
Email address: asiemek@nebook.com

with copies to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Facsimile: (212) 446-4900
Attention: Marc Kieselstein, P.C., Chad J. Husnick, Esq., and Daniel Hodgman, Esq.
E-mail addresses: marc kieselstein@kirkland.com, chad husnick@kirkland.com, and daniel hodgman@kirkland.com

2. if to the Ad Hoc 8.625% Noteholders or a transferee thereof:

Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005
Attention: Matthew S. Barr and Samuel Khalil
E-mail address: mbarr@milbank.com and skhalil@milbank.com

3. if to the JPMorgan Noteholders or a transferee thereof:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attention: Marc Abrams and Rachel C. Strickland
E-mail address: mabrams@willkie.com and rstrickland@willkie.com

After the Effective Date, the Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, such Entity must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

I. Term of Injunctions or Stays.

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

J. Entire Agreement.

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

K. Exhibits.

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at http://kccllc net/nbc or the Bankruptcy Court's website at www.deb.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

L. Nonseverability of Plan Provisions.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (3) nonseverable and mutually dependent.

M. Votes Solicited in Good Faith.

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, agents, representatives, members, principals, shareholders,

officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

N. Closing of Chapter 11 Cases.

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

O. Waiver or Estoppel.

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

P. Conflicts.

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control.

Dated: June__, 2011

Respectfully submitted,

NEBRASKA BOOK COMPANY
(for itself and on behalf of each of its affiliated debtors)

By:_____
Name: Alan G. Siemek
Title: Chief Financial Officer

Prepared by:

KIRKLAND & ELLIS LLP
601 Lexington Avenue
New York, New York 10022-4611
(212) 446-4800 (telephone)

- and -

PACHULSKI STANG ZIEHL & JONES LLP
919 North Market Street, 17th Floor
Wilmington, Delaware 19899-8705
(302) 652-4100 (telephone)

Proposed Counsel to the Debtors and Debtors in Possession

EXHIBIT C
NEW ABL FACILITY

[TO BE REDACTED/FILED UNDER SEAL]

EXHIBIT D
KEY TERMS OF NEW SENIOR SECURED NOTES

[TO BE REDACTED/FILED UNDER SEAL]

EXHIBIT E
NEW SENIOR UNSECURED NOTES

[TO BE REDACTED/FILED UNDER SEAL]

EXHIBIT F
NEW WARRANTS

Issuer:	NBC
Terms:	New Warrants shall be for 5.0% of the New Common Equity, exercisable at a $550 million Total Enterprise Value with subsequent equity value implied by the Company's capital structure after the Restructuring. The New Warrants shall be subject to dilution from the Management Equity Incentive Plan.