

TRADEMARK ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Release of Lien Pursuant to Paragraph 19 of the Bankruptcy Court Order dated 5/28/2009 for security interest agreement previously recorded on Reel 3067, Frame 0173		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Wells Fargo Foothill, Inc.		05/28/2009	CORPORATION: CALIFORNIA
RECEIVING PARTY DATA			
Name:	Alligator Acquisition LLC (as successor by merger to Alliance Entertainment Corp.)		
Street Address:	27500 Riverview Center Blvd.		
City:	Bonita Springs		
State/Country:	FLORIDA		
Postal Code:	34134		
Entity Type:	LIMITED LIABILITY COMPANY: DELAWARE		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Serial Number:	74733110	CASTLE RECORDS	
Registration Number:	2393497	IDN INNOVATIVE DISTRIBUTION NETWORK	
CORRESPONDENCE DATA			
Fax Number:	(312)862-2200		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	312-862-2000		
Email:	dgasiorowski@kirkland.com		
Correspondent Name:	Kirkland & Ellis LLP		
Address Line 1:	300 North LaSalle Street		
Address Line 2:	c/o Donna Gasiorowski, Sr. Legal Asst.		
Address Line 4:	Chicago, ILLINOIS 60654		
ATTORNEY DOCKET NUMBER:	23962-26 DRG		
NAME OF SUBMITTER:	Donna Gasiorowski		

CH \$65.00 74733110

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**TRADEMARK
 REEL: 004266 FRAME: 0137**

Signature:

/Donna Gasiorowski/

Date:

08/24/2010

Total Attachments: 113

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

In re:)	Chapter 11
SOURCE INTERLINK COMPANIES, INC., <u>et al.</u> , ¹)	Case No. 09-11424 (KG)
)	
Debtors.)	Jointly Administered
)	<i>Re Det #203</i>

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER
(I) APPROVING THE DEBTORS' (A) DISCLOSURE STATEMENT
PURSUANT TO SECTIONS 1125 AND 1126(b) OF THE BANKRUPTCY
CODE, (B) SOLICITATION OF VOTES AND VOTING PROCEDURES AND
(C) FORMS OF BALLOTS AND (II) CONFIRMING THE DEBTORS'
PREPACKAGED JOINT PLAN OF REORGANIZATION PURSUANT TO
CHAPTER 11 OF THE BANKRUPTCY CODE (WITH TECHNICAL AMENDMENTS)**

The above-captioned debtors and debtors in possession (collectively, the "Debtors")
having:²

- a. commenced the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, the "Bankruptcy Code") on April 27, 2009 (the "Petition Date");
- b. continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code;

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: Source Interlink Companies, Inc. (8299); AEC Direct, LLC (1003); Automotive.com, LLC (2610); Canoe & Kayak, Inc. (5510); Directtou, Inc. (4741); Enthusiast Media Subscription Company, Inc. (1137); Motor Trend Auto Shows, LLC (5888); RDS Logistics, LLC (0305); Source-Chestnut Display Systems, Inc. (6446); Source Home Entertainment, Inc. (8517); Source Interlink Distribution, LLC (3387); Source Interlink International, Inc. (1428); Source Interlink Magazines, LLC (3601); Source Interlink Manufacturing, LLC (7123); Source Interlink Media, LLC (4935); Source Interlink Retail Services, LLC (6967); Source Mid Atlantic News, LLC (7108); The Interlink Companies, Inc. (2991). The location of the Debtors' corporate headquarters and the service address for all Debtors is: 27500 Riverview Center Boulevard, Suite 400, Bonita Springs, Florida 34134.

² Unless otherwise noted, capitalized terms not defined herein shall have the meanings ascribed to them in the Plan (as defined herein) and the "Rules of Interpretation" (set forth in Article I.B. of the Plan), to the extent applicable, shall apply to the Confirmation Order (as defined herein).

- c. filed, on April 28, 2009, (i) the *Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 17], (ii) the *Disclosure Statement for Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* and (iii) the *Supplement to Disclosure Statement for the Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 21];
- d. distributed the Disclosure Statement and appropriate Ballots for voting on the Plan to Holders of Class 4 (Term Loan Claims) beginning on April 25, 2009, consistent with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), set the Voting Deadline as April 27, 2009 at 5:00 p.m. (prevailing Eastern Time), extended the Voting Deadline to April 27, 2009 at 7:00 p.m. (prevailing Eastern Time) and again extended the Voting Deadline to April 27, 2009 at 8:15 p.m. (prevailing Eastern Time) as evidenced by the *Amended Certification of Alison M. Tearnen with Respect to the Tabulation of Ballots on the Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 181] (the "Voting Certification");
- e. filed, on April 28, 2009, the *Debtors' Motion for Entry of Order (A) Scheduling an Objection Deadline and Combined Hearing on Their Disclosure Statement and Plan Confirmation (B) Approving Form and Notice of Confirmation Hearing, (C) Establishing Procedures for Objections to Their Plan and Disclosure Statement, (D) Approving Solicitation Procedures and (E) Granting Related Relief* [Docket No. 18] (the "Scheduling Motion");
- f. filed, on May 1, 2009 the *Summary of Plan of Reorganization and Notice of Combined Hearing on (A) Disclosure Statement and (B) Confirmation of Plan of Reorganization and Related Matters*, which contained notice of the commencement of the Chapter 11 Cases, the date and time set for the hearing to consider approval of the Disclosure Statement and confirmation of the Plan, the deadline for filing objections to the Plan and Disclosure Statement, and a summary of the Plan (the "Confirmation Hearing Notice");
- g. served, pursuant to the *Order (A) Scheduling an Objection Deadline and Combined Hearing on their Disclosure Statement and Plan Confirmation, (B) Approving Form and Notice of Confirmation Hearing, (C) Establishing Procedures for Objections to their Plan and Disclosure Statement, (D) Approving Solicitation Procedures and (E) Granting Related Relief* [Docket No. 59] (the "Scheduling Order"), the Confirmation Hearing Notice in accordance with the terms of the Scheduling Order as evidenced by (i) the *Affidavit of Service of Katrina Givens* [Docket No. 88], (ii) the *Affidavit of Service of Stefanie C. Gardella re: Summary of Plan of Reorganization and Notice of Combined Hearing on (A) Disclosure Statement and (B) Confirmation of Plan of Reorganization and Related Matters to be Held on May 28, 2009 at 2:30 p.m.*

(Prevailing Eastern Time) [Docket No. 92] and (iii) the *Affidavit of Service of Katrina Givens re: Summary of Plan of Reorganization and Notice of Combined Hearing on (A) Disclosure Statement and (B) Confirmation of Plan of Reorganization and Related Matters; to be Held on May 28, 2009 at 2:30 p.m. (Prevailing Eastern Time)* [Docket No. 116] and (items (i), (ii) and (iii) of this paragraph, collectively, the "Confirmation Hearing Notice Affidavits");

- h. published, on May 5, 2009 in *The Wall Street Journal (National Edition)* and on May 6, 2009 in the *USA Today*, pursuant to the Scheduling Order, the Confirmation Hearing Notice, as evidenced by the *Affidavit of Publication of Antoinette Chase in USA Today* [Docket No. 122] and the *Affidavit of Publication of Erin Ostenson in The Wall Street Journal* [Docket No. 124] (collectively, the "Publication Affidavits," and together with the Confirmation Hearing Notice Affidavits, the "Notice Affidavits");
- i. filed (i) on May 14, 2009, the various documents comprising the *Plan Supplement for Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 136] (the "Original Plan Supplement") and (ii) on May 27, 2009, the various documents comprising the *Amended Plan Supplement for Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 201] (the "Amended Plan Supplement" and together with the Original Plan Supplement and as amended through the date hereof, the "Plan Supplement");
- j. filed, on May 26, 2009, (i) the *Disclosure Statement for Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)* [Docket No. 197] (the "Disclosure Statement") and (ii) the *Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)* [Docket No. 195] (as amended through the date hereof and together with the Plan Supplement, the "Plan"), attached hereto as Exhibit A;
- k. filed, on or about May 26, 2009, *Declaration of Douglas J. Bates in Support of the Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)* [Docket No. 199], *Declaration of Steven G. Panagos in Support of the Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)* [Docket No. 200] and *Declaration of John Bode in Support of the Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)* [Docket No. 225] (all declarations identified in this paragraph, collectively, the "Confirmation Declarations");

- l. filed, on May 27, 2009, the *Debtors' Memorandum of Law (I) in Support of Entry of Order (A) Approving (1) the Debtors' Disclosure Statement Pursuant to Sections 1125 and 1126(b) of the Bankruptcy Code, (2) Solicitation of Votes and Voting Procedures and (3) Forms of Ballots and (B) Confirming the Debtors' Joint Prepackaged Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments) and (II) in Response to Objections Thereto* [Docket No. 203] (the "Confirmation Brief"); and
- m. filed, on May 27, 2009, these *Findings of Fact, Conclusions of Law and Order (I) Approving the Debtors' (A) Disclosure Statement Pursuant to Sections 1125 and 1126(b) of the Bankruptcy Code, (B) Solicitation of Votes and Voting Procedures and (C) Forms of Ballots and (II) Confirming the Debtors' Joint Prepackaged Plan Of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)* (together with all the exhibits hereto, the "Confirmation Order").

The Court having:

- a. entered, on April 29, 2009, the Scheduling Order;
- b. set May 28, 2009, at 2:30 p.m., prevailing Eastern Time, as the date and time for the commencement of the Confirmation Hearing (as defined herein) pursuant to Bankruptcy Rules 3017 and 3018 and sections 1126, 1128, and 1129 of the Bankruptcy Code, as set forth in the Scheduling Order;
- c. reviewed the Plan, the Disclosure Statement, the Plan Supplement, the Confirmation Brief, the Confirmation Declarations, the Voting Certification, the Notice Affidavits, the Ballots and all filed pleadings, exhibits, statements, and comments regarding Confirmation, including all objections, statements and reservations of rights;
- d. held a hearing to consider the adequacy of the Disclosure Statement and the Confirmation of the Plan on May 28, 2009 (the "Confirmation Hearing") after due and sufficient notice was given to Holders of Claims against, and Interests in, the Debtors and other parties in interest in accordance with the Scheduling Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, in each as established by the Notice Affidavits;
- e. heard the statements, arguments and objections made by counsel in respect of Confirmation;
- f. considered all oral representations, testimony, documents, filings and other evidence regarding Confirmation;
- g. overruled any and all objections (to the extent not withdrawn) to the Plan, the Disclosure Statement and Confirmation Order and all statements and reservations of rights not consensually resolved or withdrawn, unless otherwise indicated; and

- h. taken judicial notice of all pleadings and other documents filed, all orders entered and all evidence and arguments presented in the Chapter 11 Cases.

NOW, THEREFORE, it appearing to the Court that notice of the Confirmation Hearing and the opportunity for any party in interest to object to Confirmation have been adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions contemplated thereby, and the legal and factual bases set forth in the documents filed in support of Confirmation and presented at the Confirmation Hearing establish just cause for the relief granted herein; and after due deliberation thereon and good cause appearing therefor, the Court hereby makes and issues the following Findings of Fact, Conclusions of Law and Orders:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED AND ORDERED THAT:

A. **Findings and Conclusions.** The findings and conclusions set forth herein and in the record of the Confirmation Hearing constitute the Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. **Jurisdiction, Venue, Core Proceeding (28 U.S.C. § 157(b)(2), 1334(a)).** The Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. § 1334. Approval of the Solicitation and Solicitation Procedures (as each such term is defined herein), Disclosure Statement and confirmation of the Plan are core proceedings pursuant to 28 U.S.C. § 157(b) and the Court has jurisdiction to enter a final order with respect thereto. The Debtors are eligible debtors under section 109 of the Bankruptcy Code. Venue is proper in this District and before

the Court pursuant to 28 U.S.C. § § 1408 and 1409. The Debtors are proper plan proponents under section 1121(a) of the Bankruptcy Code.

C. Chapter 11 Petitions. On the Petition Date, each Debtor commenced with the Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases pursuant to section 1104 of the Bankruptcy Code. No statutory committee of unsecured creditors or equity security holders has been appointed pursuant to section 1102 of the Bankruptcy Code. The Court has ordered the procedural consolidation and joint administration of the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b).

D. Judicial Notice, Objections. The Court takes judicial notice of (and deems admitted into evidence for Confirmation) the docket of the Chapter 11 Cases maintained by the Clerk of the Court, including all pleadings and other documents filed, all orders entered and all evidence and arguments made, proffered or adduced at the hearings held before the Court during the pendency of the Chapter 11 Cases. Any resolutions of objections to Confirmation explained on the record at the Confirmation Hearing are hereby incorporated by reference. All unresolved objections, statements and reservations of rights are overruled on the merits.

E. Burden of Proof. The Debtors have the burden of proving the elements of sections 1129(a) and (b) of the Bankruptcy Code by a preponderance of the evidence. Each Debtor has met such burden.

F. Adequacy of Disclosure Statement. The Disclosure Statement (a) contains sufficient information of a kind necessary to satisfy the disclosure requirements of all applicable

non-bankruptcy law, rules and regulations, including the Securities Act of 1933, as amended (the "Securities Act"), (b) contains "adequate information" (as such term is defined in section 1125(a) and used in section 1126(b)(2) of the Bankruptcy Code) with respect to the Debtors, the Plan, and the transactions contemplated therein and (c) is approved in all respects.

G. Voting. As evidenced by the Voting Certification, votes to accept or reject the Plan have been solicited and tabulated fairly, in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable non-bankruptcy law, rule and regulation.

H. Solicitation. Prior to the Petition Date, the Plan, the Disclosure Statement and the Ballots, and, subsequent to the Petition Date, the Confirmation Hearing Notice, were transmitted and served in compliance with the Bankruptcy Code, including sections 1125 and 1126 thereof, the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, the Local Rules and the Scheduling Order. The forms of the Ballots adequately addressed the particular needs of the Chapter 11 Cases and were appropriate for Holders of Claims in the Class listed in the chart below, which lists the Class of Claims entitled under the Plan to vote to accept or reject the Plan.

Class	Designation
Class 4	Term Loan Claims

The period during which the Debtors solicited acceptances to the Plan was a reasonable period of time for Holders of Claims entitled to vote to accept or reject the Plan to make an informed decision to accept or reject the Plan. In particular, and without limitation, (a) the Plan, the Disclosure Statement and the Ballots were transmitted to all Holders of Class 4 (Term Loan Claims), (b) sufficient and reasonable time and notice were prescribed for the Holders of Impaired Claims in Class 4 to accept or reject the Plan, (c) the Ballots submitted by the Holders of Impaired Claims in Class 4 (whether before or after the commencement of the Chapter 11

Cases) were submitted by the Holders of record of the Impaired Claims in Class 4 on April 16, 2009 (the date specified in such documents for the purpose of the solicitation) (the "Record Date") and (d) the establishment and notice of the Record Date was appropriate and reasonable. Pursuant to section 1126(f) of the Bankruptcy Code, the Debtors were not required to solicit votes from the Holders of Claims or Interests in the Classes listed in the chart below as each such Class is Unimpaired under the Plan and conclusively presumed to have accepted the Plan.

Class	Designation
Class 1	Other Priority Claims
Class 2	Other Secured Claims
Class 3	Revolving Credit Facility Claims
Class 6	General Unsecured Claims
Class 7	Intercompany Claims
Class 8	Intercompany Interests

The Debtors also were not required to solicit votes from the Holders of Claims or Interests in each Class listed in the chart below, as each such Class receives no recovery from the Debtors under the Plan, is impaired and, therefore, is deemed to reject the Plan pursuant to section 1126(g) of the Bankruptcy Code.

Class	Designation
Class 5	Senior Notes Claims
Class 9	Section 510(b) Claims
Class 10	Equity Interests in Source Interlink Companies

As described in and as evidenced by the Voting Certification and the Notice Affidavits, the transmittal and service of the Plan, the Disclosure Statement, the Ballots, the Confirmation Hearing Notice and publication of such Confirmation Hearing Notice (all of the foregoing, the "Solicitation") was timely, adequate and sufficient under the circumstances. The Solicitation of votes on the Plan complied with the solicitation procedures set forth in the Scheduling Motion and approved in the Scheduling Order (the "Solicitation Procedures"), was appropriate and

satisfactory based upon the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any other applicable rules, laws, and regulations. The Debtors, the Reorganized Debtors, the Term Loan Agents, the Term Loan Lenders, the Revolving Credit Facility Agents, the Revolving Credit Facility Lenders, the DIP Agents, the DIP Lenders and the Holders of the Senior Notes and any and all affiliates, directors, officers, members, managers, shareholders, partners, employees, attorneys and advisors of each of the foregoing that may have solicited votes on the Plan or participated in the formulation of the Plan, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code and, therefore, are entitled to the protections of section 1125(e) of the Bankruptcy Code.

I. Notice. As is evidenced by the Voting Certification and the Notice Affidavits, the transmittal and service of the Plan, the Disclosure Statement and Ballots were adequate and sufficient under the circumstances, and all parties required to be given notice of the Confirmation Hearing (including the deadline for filing and serving objections to confirmation of the Plan) have been given due, proper, timely and adequate notice in accordance with the Scheduling Order and in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable non-bankruptcy law, rule and regulation and such parties have had an opportunity to appear and be heard with respect thereto. No other or further notice is required.

J. Plan Supplement. The Debtors' Plan Supplement includes the following documents: (a) required disclosures under section 1129(a)(5) of the Bankruptcy Code; (b) the list of executory contracts and unexpired leases to be rejected; (c) the non-exclusive list of Causes of Action to be retained by the Reorganized Debtors; (d) a description of the Shareholders Agreement; (e) a description of HoldCo's acquiring and holding 100% of the

Reorganized Source Interlink Companies Equity Interests; and (f) amended certificates of incorporation and by-laws or descriptions thereof. All such materials comply with the terms of the Plan, and the filing and notice of such documents is good and proper in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and no other or further notice is or shall be required.

K. Plan Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan complies with the applicable provisions of the Bankruptcy Code and, as required by Bankruptcy Rule 3016, the Plan is dated and identifies the Debtors as proponent, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

L. Proper Classification (11 U.S.C. §§ 1122, 1123(a)(1)). In addition to Administrative Claims (Article II.B. of the Plan), Priority Tax Claims (Article II.C. of the Plan) and DIP Facility Claims (Article II.A. of the Plan), which need not be classified, Article III of the Plan classifies ten Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims and Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Plan and such Classes do not unfairly discriminate among Holders of Claims and Interests. The Plan therefore satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

M. Specified Unimpaired Classes (11 U.S.C. § 1123(a)(2)). Article III of the Plan specifies that Claims or Interests listed in the chart below are unimpaired under the Plan within the meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

Class	Designation
Class 1	Other Priority Claims

Class	Designation
Class 2	Other Secured Claims
Class 3	Revolving Credit Facility Claims
Class 6	General Unsecured Claims
Class 7	Intercompany Claims
Class 8	Intercompany Interests

N. Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). Article III of the Plan designates the Classes of Claims and Interests listed in the chart below as impaired and specifies the treatment of the Claims and Interests in those Classes within the meaning of section 1124 of the Bankruptcy Code, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

Class	Designation
Class 4	Term Loan Claims
Class 5	Senior Notes Claims
Class 9	Section 510(b) Claims
Class 10	Equity Interests in Source Interlink Companies

O. No Discrimination (11 U.S.C. § 1123(a)(4)). The Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class unless the Holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

P. Implementation of the Plan (11 U.S.C. § 1123(a)(5)). The Plan and the various documents and agreements set forth in the Plan Supplement provide adequate and proper means for the implementation of the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code, including: (a) the substantive consolidation of the Debtors for purposes of the Plan only; (b) the continued corporate existence of the Debtors; (c) HoldCo acquiring and holding 100% of the Reorganized Source Interlink Companies Equity Interests upon the Effective Date; (d) generally allowing for all corporate action necessary to effectuate the Plan, including the

assumption of executory contracts, appointment of the directors and officers of HoldCo and the Reorganized Debtors, execution and entry into the Exit Facility Documents, execution and entry into the HoldCo Loan Documents, execution and entry into the New Term Loan Documents and the issuance and distribution of the New Common Stock and Reorganized Source Interlink Companies Equity Interests required to be issued pursuant to the Plan; (e) the adoption and filing of the amended and restated certificates of incorporation and by-laws of the Reorganized Debtors and HoldCo; (f) the cancellation of Liens securing any Secured Claim (except Liens securing Secured Claims that are reinstated pursuant to the Plan); (g) the identification of sources of consideration from which the Debtors will make distributions under the Plan; and (h) the preservation of the Debtors' Causes of Action.

Q. Non-Voting Equity Securities/Allocation of Voting Power (11 U.S.C. § 1123(a)(6)). The certificates of incorporation for HoldCo and the Reorganized Debtors (or descriptions thereof), filed as part of the Plan Supplement, prohibit the issuance of non-voting equity securities, thereby satisfying section 1123(a)(6) of the Bankruptcy Code.

R. Designation of Directors and Officers (11 U.S.C. § 1123(a)(7)). The Plan Supplement and Article IV.O. of the Plan contain provisions with respect to the manner of selection of directors and officers of HoldCo and the Reorganized Debtors that are consistent with the interests of creditors, equity security Holders and public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code.

S. Impairment/Unimpairment of Classes of Claims and Interests (11 U.S.C. § 1123(b)(1)). Pursuant to Article III of the Plan the Classes of Claims and Interests listed in the chart below are impaired, as contemplated by section 1123(b)(1) of the Bankruptcy Code.

Class	Designation
Class 4	Term Loan Claims
Class 5	Senior Notes Claims
Class 9	Section 510(b) Claims
Class 10	Equity Interests in Source Interlink Companies

Pursuant to Article III of the Plan the Classes of Claims and Interests listed in the chart below are unimpaired, as contemplated by section 1123(b)(1) of the Bankruptcy Code.

Class	Designation
Class 1	Other Priority Claims
Class 2	Other Secured Claims
Class 3	Revolving Credit Facility Claims
Class 6	General Unsecured Claims
Class 7	Intercompany Claims
Class 8	Intercompany Interests

T. Assumption and Rejection (11 U.S.C. § 1123(b)(2)). Article V of the Plan, governing the assumption and rejection of executory contracts and unexpired leases, and Exhibit B of the Plan Supplement meet the requirements of section 365 of the Bankruptcy Code. There have been no objections to the Debtors' assumption of executory contracts pursuant to Article V of the Plan.

U. Additional Plan Provisions (11 U.S.C. § 1123(b)(6)). The provisions of the Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b)(6) of the Bankruptcy Code.

V. The Debtors' Compliance with the Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically:

1. each of the Debtors is an eligible debtor under section 109 of the Bankruptcy Code and are proper proponents of the Plan under section 1121(a) of the Bankruptcy Code;

2. the Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of the Bankruptcy Court; and

3. the Debtors have complied with the applicable provisions of the Bankruptcy Code, including sections 1125 and 1126, the Bankruptcy Rules, the Local Rules, any applicable non-bankruptcy law, rule and regulation, the Scheduling Order and all other applicable law, in transmitting the Plan, the Plan Supplement, the Disclosure Statement, the Ballots and related documents and notices and in soliciting and tabulating the votes on the Plan.

W. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan (including all documents necessary to effectuate the Plan) and the transactions contemplated in the Plan in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Debtors' good faith is evident from the facts and record of the Chapter 11 Cases, the Disclosure Statement and the record of the Confirmation Hearing and other proceedings held in the Chapter 11 Cases. The Plan was proposed with the legitimate and honest purpose of maximizing the value of the Debtors' Estates and to effectuate a successful reorganization of the Debtors. The Plan (including all documents necessary to effectuate the Plan) was negotiated at arm's-length among representatives of the Debtors, the Holders of Revolving Credit Facility Claims, the Holders of Term Loan Claims, and the Holders of Senior Notes Claims, and their respective professionals. Further, the Plan's classification, indemnification, exculpation, release and injunction provisions have been negotiated in good faith and at arm's-length, are consistent with sections 105, 1122, 1123(b)(6), 1123(b)(3)(A), 1129 and 1142 of the Bankruptcy Code and are each necessary for the Debtors' successful reorganization.

X. Payment for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). Any payment made or to be made by the Debtors or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses of the Debtors' professionals in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code.

Y. Directors, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the initial directors and officers of the Reorganized Debtors after confirmation of the Plan (and HoldCo following the Effective Date) have been fully disclosed to the extent available, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of Holders of Claims and Interests and with public policy. As set forth in the Plan Supplement, on the Effective Date, the initial board of directors of HoldCo shall consist of the individuals identified in the Plan Supplement. Each such individual and each member of the board of directors of the Reorganized Debtors will serve in accordance with the terms and subject to the conditions of the certificates of incorporation and by-laws (or as set forth in the descriptions thereof) filed in the Plan Supplement and any other relevant organizational documents, each as applicable. The identity of any insider that will be employed or retained by the Reorganized Debtors and the nature of such insider's compensation also have been fully disclosed.

Z. No Rate Changes (11 U.S.C. § 1129(a)(6)). The Plan does not provide for rate changes by any of the Reorganized Debtors or HoldCo. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable in the Chapter 11 Cases.

AA. Best Interest of Creditors (11 U.S.C. § 1129(a)(7)). The Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The evidence, including the liquidation analysis provided in the Disclosure Statement, and otherwise submitted, proffered or adduced before or at the Confirmation Hearing (a) is persuasive and credible, (b) has not been controverted by other evidence and (c) establishes that each Holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

BB. Acceptance by Certain Classes (11 U.S.C. § 1129(a)(8)). The Classes of Claims and Interests listed in the chart below are Classes of Unimpaired Claims or Interests that are conclusively presumed to have accepted the Plan in accordance with section 1126(f) of the Bankruptcy Code.

Class	Designation
Class 1	Other Priority Claims
Class 2	Other Secured Claims
Class 3	Revolving Credit Facility Claims
Class 6	General Unsecured Claims
Class 7	Intercompany Claims
Class 8	Intercompany Interests

The Class of Claims listed in the chart below has voted to accept the Plan in accordance with sections 1126(b) and (c) of the Bankruptcy Code, and such Classes do not include insiders of the Debtors (as that term is defined in section 101(31) of the Bankruptcy Code).

Class	Designation
Class 4	Term Loan Claims

The Classes of Claims and Interests listed in the chart below are impaired by the Plan and are not entitled to receive or retain any property under the Plan and, therefore, are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

Class	Designation
Class 5	Senior Notes Claims
Class 9	Section 510(b) Claims
Class 10	Equity Interests in Source Interlink Companies

While the Plan does not satisfy section 1129(a)(8) of the Bankruptcy Code, the Plan is confirmable because it satisfies sections 1129(a)(10) and 1129(b) of the Bankruptcy Code.

CC. Treatment of Administrative Claims, Priority Tax Claims, and Other Priority Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims pursuant to Article II.B. of the Plan satisfies the requirements of section 1129(a)(9)(A) of the Bankruptcy Code. The treatment of Priority Tax Claims pursuant to Article II.C. of the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

DD. Acceptance by Impaired Class (11 U.S.C. § 1129(a)(10)). As evidenced by the Voting Certification, the Class of Claims listed in the chart below voted to accept the Plan by the requisite numbers and amounts, determined without including any acceptance of the Plan by any insider (as that term is defined in section 101(31) of the Bankruptcy Code), thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.

Class	Designation
Class 4	Term Loan Claims

EE. Feasibility (11 U.S.C. § 1129(a)(11)). The information in the Disclosure Statement, the Confirmation Declarations and the evidence proffered or adduced at the Confirmation Hearing (a) is persuasive and credible, (b) has not been controverted by other evidence and (c) establishes that the Plan is feasible and that there is a reasonable prospect of the

Reorganized Debtors being able to meet their financial obligations under the Plan and their business in the ordinary course and that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

FF. Payment of Fees (11 U.S.C. § 1129(a)(12)). All fees payable under section 1930 of title 28, United States Code, as determined by the Bankruptcy Code, have been or will be paid on or before the Effective Date pursuant to Article IX of the Plan, thereby satisfying the requirements of section 1129(a)(12) of the Bankruptcy Code.

GG. Continuation of Employee and Retiree Benefits (11 U.S.C. § 1129(a)(13)). Article IV.R. of the Plan provides that all employee compensation and benefit plans of the Debtors, including benefit plans and programs subject to sections 1114 and 1129(a)(13) of the Bankruptcy Code, entered into before or after the Petition Date and not since terminated, shall be honored. Accordingly, the Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code.

HH. No Domestic Support Obligations (11 U.S.C. § 1129(a)(14)). The Debtors are not required by a judicial or administrative order, or by statute, to pay a domestic support obligation. Accordingly, section 1129(a)(14) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

II. Debtors Are Not Individuals (11 U.S.C. § 1129(a)(15)). The Debtors are not individuals, and accordingly, section 1129(a)(15) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

JJ. No Applicable Non-Bankruptcy Law Regarding Transfers (11 U.S.C. § 1129(a)(16)). The Debtors are each a moneyed, business or commercial corporation, and accordingly, section 1129(a)(16) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

KK. No Unfair Discrimination; Fair and Equitable (11 U.S.C. § 1129(b)). The Classes of Claims and Interests listed in the chart below have voted to reject, or are deemed to have rejected, the Plan.

Class	Designation
Class 5	Senior Notes Claims
Class 9	Section 510(b) Claims
Class 10	Equity Interests in Source Interlink Companies

Based upon the evidence proffered, adduced and presented by the Debtors at the Confirmation Hearing, the Plan does not discriminate unfairly with respect to and is fair and equitable with respect to the aforementioned Classes, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code, has been proposed in good faith, is reasonable and meets the requirements that no Holder of any Claim or Interest that is junior to each such Class will receive or retain any property under the Plan on account of such junior Claim or Interest and no Holder of a Claim in a Class senior to such Classes is receiving more than 100% on account of its Claim. Thus, the Plan may be confirmed notwithstanding the deemed rejection of the Plan by these Classes.

LL. Only One Plan (11 U.S.C. § 1129(c)). The Plan is the only plan filed in each of the Debtors' chapter 11 cases, and accordingly, section 1129(c) of the Bankruptcy Code is inapplicable in the Chapter 11 Cases.

MM. Principal Purpose of the Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act. Accordingly, the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

NN. Modifications to the Plan. The modifications to the Plan made in the Amended Plan constitute technical changes or do not materially adversely affect or change the treatment of any Claims or Interests of any Holder and are in compliance with section 1127 of the Bankruptcy Code. Accordingly, pursuant to Bankruptcy Rule 3019, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that Holders of Claims or Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

OO. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

PP. Implementation. All documents necessary to implement the Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arm's-length and shall, upon completion of documentation and execution, be valid, binding and enforceable agreements and shall not be in conflict with any federal or state law.

QQ. Injunction, Exculpation and Releases. The Court has jurisdiction under sections 1334(a) and (b) of title 28 of the United States Code to approve the exculpation, releases and injunction set forth in Articles VIII.D., E., F. and H. of the Plan, respectively. Section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the exculpation and unopposed releases set forth in Articles VIII.D., E., F. and H. of the Plan, respectively, when, as has been established here based upon the record in the Chapter 11 Cases and the evidence presented at the Confirmation Hearing, such provisions (a) were integral to the agreement among various parties in interest and are essential to the formulation and

implementation of the Plan, as provided in section 1123 of the Bankruptcy Code, (b) confer substantial benefits on the Debtors' Estates, (c) are fair and reasonable and (d) are in the best interests of the Debtors, their Estates and other parties in interest. Further, the exculpation provision in Article VIII.F. of the Plan does not relieve any party of liability for an act or omission to the extent such act or omission is determined by a Final Order to have constituted gross negligence or willful misconduct. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the releases, exculpation and injunction set forth in the Plan and implemented by the Confirmation Order are supported by adequate consideration and are fair, equitable, reasonable and in the best interests of the Debtors, the Reorganized Debtors, and their Estates, creditors and equity holders. The releases of non-Debtors in Article VIII of the Plan are fair to Holders of Claims and are necessary to the proposed reorganization, thereby satisfying the requirements of *In re Continental Airlines, Inc.*, 203 F.3d 203, 214 (3d Cir. 2000). Such releases are given in exchange for and are supported by fair, sufficient and adequate consideration provided by each and all of the Debtor Releasees and the Third Party Releasees. The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the releases, exculpation and injunction provided for in Articles VIII.D., E., F. and H. of the Plan. Accordingly, based upon the record of the Chapter 11 Cases, the representations and/or the evidence proffered, adduced and/or presented at the Confirmation Hearing, the Court finds that the exculpation, releases and injunction set forth in Article VIII of the Plan are consistent with the Bankruptcy Code and applicable law. The failure to implement the injunction, exculpation, and releases would seriously impair the Debtors' ability to confirm the Plan.

RR. Settlement. Except as otherwise provided in the Plan and the Confirmation Order, the Plan is a settlement between and among the Debtors and their creditors and equity

holders of all claims and litigation against the Debtors, pending or threatened, or that was or could have been commenced against the Debtors prior to the date of entry of the Confirmation Order (other than the Reorganized Debtors' and HoldCo's ability to prosecute objections to Claims and other retained causes of action to the extent preserved under the Plan, including but not limited to the provisions of Articles IV.U. and VII of the Plan).

SS. Good Faith. The Debtors and the Reorganized Debtors, the Debtor Releasees and the Third Party Releasees will be acting in good faith if they proceed to (a) consummate the Plan and the agreements, settlements, transactions and transfers contemplated thereby and (b) take the actions authorized and directed by the Confirmation Order.

TT. Exit Financing. Upon diligent inquiry, the Debtors have determined that (a) the Exit Facility to be provided by the Exit Facility Agent and Exit Facility Lenders subject to and in accordance with the term sheet describing the Exit Facility attached to the Disclosure Statement, statements made on the record and such other changes as the parties thereto may agree (the "Exit Facility Term Sheet"); (b) the New Term Loan A and the New Term Loan B (collectively, the "New Term Loans") to be provided by the lenders under the New Term Loans pursuant to and in accordance with the term sheet describing the New Term Loans attached to the Disclosure Statement, statements made on the record and such other changes as the parties thereto may agree (the "New Term Loans Term Sheet"); and (c) the HoldCo Loan to be provided by the lenders under the HoldCo Loan pursuant to and in accordance with the term sheet describing the HoldCo Loan attached to the Disclosure Statement, statements made on the record and such other changes as the parties thereto may agree (the "HoldCo Term Sheet") are the best financing alternatives available to the Debtors and the Reorganized Debtors, as the case may be. Further, for purposes of any Trade Intercreditor Agreement, (a) the Exit Facility shall constitute an

Collectively,

Collectively,

Collectively,

amendment, modification and refinancing of the Revolving Credit Facility and the DIP Revolving Credit Facility and (b) the New Term Loans shall constitute an amendment, modification and refinancing of the Term Loan.

1. *Exit Facility.* The terms of the Exit Facility have been negotiated in good faith and on an arm's-length basis, without intent to hinder, delay or defraud any creditor of the Debtors and each party thereto may rely upon the provisions of the Confirmation Order in closing the Exit Facility. The terms of the Exit Facility are substantially consistent with the terms set forth in the Exit Facility Term Sheet. The availability under the Exit Facility is necessary to the consummation of the Plan and the operation of the Reorganized Debtors. The terms and conditions of the Exit Facility Documents described in the Exit Facility Term Sheet are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration and are in the best interests of the Debtors' Estates and their creditors. The execution, delivery, or performance by the Debtors or Reorganized Debtors, as the case may be, of or in accordance with any documents in connection with the Exit Facility, in accordance with the Exit Facility Term Sheet, and compliance by the Debtors or Reorganized Debtors, as the case may be, with the terms thereof are authorized by, and will not conflict with, the terms of the Plan or the Confirmation Order. The financial accommodations to be extended pursuant to the Exit Facility Term Sheet and any Exit Facility Documents are being extended in good faith, for legitimate business purposes, are reasonable, shall not be subject to recharacterization for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers or fraudulent conveyances under the Bankruptcy Code or any other applicable non-bankruptcy law. The Exit Facility Documents, including the Exit Facility Agreement, and any associated fee letters,

Subject to the terms of any applicable intercreditor agreement entered into on or after the effective date among the Revolving Credit Facility Agents, the Revolving Credit Facility Lenders, the Term Loan Agents, the Term Loan Lenders, and the Reorganized Debtors, including, without limitation, any subordination or intercreditor agreements relating thereto, shall

constitute legal, valid, binding and authorized obligations of the Reorganized Debtors enforceable in accordance with their terms and will not conflict with any federal or state law.

The Debtors have provided sufficient and adequate notice of the terms of the Exit Facility Term Sheet and the credit arrangements set forth therein to all parties-in-interest, including, without limitation, the DIP Agents and DIP Lenders, the Term Loan Agents and Term Loan Lenders, the Revolving Credit Facility Agents and Revolving Credit Facility Lenders, each Vendor (as defined below) party to a Trade Intercreditor Agreement, and the Office of the United States Trustee. On the Effective Date, all of the liens and security interests to be granted in accordance with the Exit Facility Documents shall be deemed approved and shall be legal, valid, binding, enforceable, and perfected liens on and security interests in the collateral for the Exit Facility,

having the priorities set forth in paragraph 26 below. The security interests and liens to be granted in accordance with the Exit Facility Documents (the "Exit Liens") shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons granted such liens and security interests are authorized to make all filings and recordings and to obtain all governmental approvals and consents necessary to establish and perfect such liens and security interests under the provisions of the applicable state, provincial, federal or other law (whether domestic or foreign) that would be applicable in the absence of the Confirmation Order. All fees, costs and expenses paid or to be paid by the Debtors and Reorganized Debtors in connection with the Exit Facility are hereby ratified and approved. In accordance with the terms of the Plan, proceeds from the Exit Facility shall be used to

Loan Agents, the Term Loan Lenders, and the Reorganized Debtors.

indefeasibly pay in full in Cash on the Effective Date, the DIP Revolving Credit Facility Claims and any Revolving Credit Facility Claim not previously rolled up by the DIP Revolving Credit Facility. The letters of credit issued under the Revolving Credit Facility or the DIP Revolving Credit Facility which are outstanding as of the Effective Date shall be deemed to be issued under the Exit Facility.

2. *New Term Loans.* The terms of the New Term Loans have been negotiated in good faith and on an arm's-length basis, without intent to hinder, delay or defraud any creditor of the Debtors and each party thereto may rely upon the provisions of the Confirmation Order in closing the New Term Loans. The terms of the New Term Loans are substantially consistent with the terms set forth in the New Term Loans Term Sheet. The availability under the New Term Loans is necessary to the consummation of the Plan and the operation of the Reorganized Debtors. The terms and conditions of the New Term Loans described in the New Term Loans Term Sheet are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration and are in the best interests of the Debtors' Estates and their creditors. The execution, delivery, or performance by the Debtors or Reorganized Debtors, as the case may be, of or in accordance with any documents in connection with the New Term Loans, in accordance with the New Term Loans Term Sheet, and compliance by the Debtors or Reorganized Debtors, as the case may be, with the terms thereof are authorized by, and will not conflict with, the terms of the Plan or the Confirmation Order. The financial accommodations to be extended pursuant to the New Term Loans Term Sheet and any New Term Loan Documents are being extended in good faith, for legitimate business purposes, are reasonable, shall not be subject to recharacterization for any purposes whatsoever and shall not

subject to the terms of any applicable intercreditor agreement entered into on or after the effective date among the Revolving Credit Facility Agents, the Revolving Credit Facility Lenders, the Term Loan Agents, the Term Loan Lenders, and the Reorganized Debtors, constitute preferential transfers, fraudulent transfers or fraudulent conveyances under the Bankruptcy Code or any other applicable non-bankruptcy law. The New Term Loan Documents, including the New Term Loan Credit Agreement, any associated fee letters and any definitive loan and security documentation, including, without limitation, any subordination or intercreditor agreements relating thereto, shall constitute legal, valid, binding and authorized obligations of the Reorganized Debtors enforceable in accordance with their terms and will not conflict with any federal or state law. The Debtors have provided sufficient and adequate notice of the New Term Loans Term Sheet and the credit arrangements set forth therein to all parties-in-interest, including, without limitation, the DIP Agents and DIP Lenders, the Term Loan Agents and Term Loan Lenders, the Revolving Credit Facility Agents and Revolving Credit Facility Lenders, each Vendor party to a Trade Intercreditor Agreement, and the Office of the United States Trustee. On the Effective Date, all of the liens and security interests to be granted in accordance with the New Term Loan Documents shall be deemed approved and shall be legal, valid, binding, enforceable, and perfected liens on and security interests in the collateral for the New Term

Loans, having the priorities set forth in paragraph 26 below. The security interests and liens to be granted in accordance with the New Term Loan Documents (the "New Term Loan Liens") shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors and the persons granted such liens and security interests are authorized to make all filings and recordings and to obtain all governmental approvals and consents necessary to establish and perfect such liens and security interests under the provisions of the applicable state, provincial, federal or other law (whether domestic or foreign) that would be applicable in the absence of the

Confirmation Order. All fees, costs and expenses paid or to be paid by the Debtors and Reorganized Debtors in connection with the New Term Loans are hereby ratified and approved. In accordance with the terms of the Plan, the DIP Term Loan Claims shall convert on the Effective Date into obligations of the Debtors under the New Term Loan A.

3. *HoldCo Loan.* The terms of the HoldCo Loan have been negotiated in good faith and on an arm's-length basis, without intent to hinder, delay or defraud any creditor of the Debtors and each party thereto may rely upon the provisions of the Confirmation Order in closing the HoldCo Loan. The terms of the HoldCo Loan are substantially consistent with the HoldCo Loan Term Sheet. The terms and conditions of the HoldCo Loan described in the HoldCo Loan Term Sheet are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration. The execution, delivery, or performance by the Debtors or HoldCo, as the case may be, of or in accordance with any documents in connection with the HoldCo Loan, in accordance with the HoldCo Loan Term Sheet, and compliance by the Debtors or HoldCo, as the case may be, with the terms thereof are authorized by, and will not conflict with, the terms of the Plan or the Confirmation Order. The financial accommodations to be extended pursuant to the HoldCo Term Sheet and any HoldCo Loan Documents are being extended in good faith, for legitimate business purposes, are reasonable, shall not be subject to recharacterization for any purposes whatsoever and shall not constitute preferential transfers, fraudulent transfers or fraudulent conveyances under the Bankruptcy Code or any other applicable non-bankruptcy law. The HoldCo Loan Documents, including the HoldCo Loan Agreement, any associated fee letters and any definitive loan and security documentation, including, without limitation, any subordination or intercreditor agreements relating thereto, shall

constitute legal, valid, binding and authorized obligations of the HoldCo enforceable in accordance with their terms and will not conflict with any federal or state law. The Debtors have provided sufficient and adequate notice of the HoldCo Loan Term Sheet and the credit arrangements set forth therein to all parties-in-interest, including, without limitation, the DIP Agents and DIP Lenders, the Term Loan Agents and Term Loan Lenders, the Revolving Credit Facility Agents and Revolving Credit Facility Lenders, and the Office of the United States Trustee. On the Effective Date, the pledge of the SIC Undertaking (as to be defined in the HoldCo Loan Agreement) (the "HoldCo Loan Pledge") to be granted in accordance with the HoldCo Loan Documents shall be deemed approved and shall be legal, valid, binding and enforceable and a perfected first priority pledge of the SIC Undertaking. The Reorganized Debtors and the persons granted such liens and security interests are authorized to make all filings and recordings and to obtain all governmental approvals and consents necessary to establish and perfect such liens and security interests under the provisions of the applicable state, provincial, federal or other law (whether domestic or foreign) that would be applicable in the absence of the Confirmation Order. All fees, costs and expenses paid or to be paid by the Debtors and Reorganized Debtors, as the case may be, in connection with the HoldCo Loan are hereby ratified and approved.

UU. Valuation. Pursuant to the valuation analysis in Article VI of the Disclosure Statement, the enterprise value of the Debtors is insufficient to support a distribution to Holders of Senior Note Claims, Section 510(b) Claims or Equity Interests in Source Interlink Companies under absolute priority principles. The valuation set forth in the Disclosure Statement was prepared by the Debtors' financial advisor, Moelis & Company LLC,

in accordance with standard and customary valuation principles and practices, and is a fair and reasonable estimate of the value of the Debtors' business as a going concern.

VV. Retention of Jurisdiction. The Court may properly, and upon the Effective Date shall, retain jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases, including the matters set forth in Article XII of the Plan and section 1142 of the Bankruptcy Code, except, subsequent to the Effective Date, matters relating to the interpretation and enforcement of the Exit Facility Documents, the New Term Loan Documents and the HoldCo Loan Documents.

ORDER

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED AND DETERMINED THAT:

1. **Findings of Fact and Conclusions of Law.** The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein and shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable herein by Bankruptcy Rule 9014. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be deemed so, and vice versa.

2. **Notice of the Confirmation Hearing.** Notice of the Confirmation Hearing complied with the terms of the Scheduling Order, was appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable non-bankruptcy law, and no further or additional notice was necessary or required.

3. **Solicitation.** The solicitation of votes on the Plan complied with the Solicitation Procedures, was appropriate and satisfactory based upon the circumstances of the Chapter 11

Cases, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and applicable non-bankruptcy law.

4. **Ballots.** The Ballots are in compliance with Bankruptcy Rule 3018(c), conform to Official Form B14, and are approved in all respects.

5. **The Disclosure Statement.** The Disclosure Statement: (a) complies in all respects with any disclosure requirements of applicable non-bankruptcy law, including the Securities Act, to the extent applicable, (b) contains "adequate information" (as such term is defined in section 1125(a)(1) and used in section 1126(b)(2) of the Bankruptcy Code) with respect to the Debtors, the Plan, and the transactions contemplated therein, and (c) is approved in all respects. To the extent that the Debtors' solicitation of acceptances of the Plan is deemed to constitute an offer of new securities, the Debtors are exempt from the registration requirements of the Securities Act (and of any equivalent state securities or "blue sky" laws) with respect to such solicitation under section 4(2) of the Securities Act and Regulation D promulgated thereunder. Section 4(2) of the Securities Act exempts from registration under the Securities Act all "transactions by an issuer not involving any public offering." The Debtors have complied with the requirements of section 4(2) of the Securities Act, as the prepetition solicitation of acceptances would constitute a private placement of securities.

6. **Confirmation of the Plan.** The Plan and each of its provisions shall be, and hereby are, CONFIRMED under section 1129 of the Bankruptcy Code. The documents contained in the Plan Supplement are authorized and approved. The terms of the Plan, including the Plan Supplement, are incorporated by reference into and are an integral part of the Confirmation Order.

7. **Objections.** All objections, responses to, and statements and comments, if any, in opposition to, the Plan and/or the Disclosure Statement, respectively, other than those withdrawn with prejudice in their entirety prior to, or on the record at, the Confirmation Hearing, shall be, and hereby are, overruled in their entirety.

8. **No Action Required.** Pursuant to the appropriate provisions of the Delaware General Corporation Law, including section 303 thereof, and the comparable provisions of the Delaware Limited Liability Company Act, and section 1142(b) of the Bankruptcy Code, no action of the respective directors, stockholders, managers, or members of the Debtors or Reorganized Debtors, as applicable, shall be required to authorize the Debtors or Reorganized Debtors, as applicable, to enter into, execute, deliver, file, adopt, amend, restate, consummate or effectuate, as the case may be, the Plan and any contract, instrument or other document to be executed, delivered, adopted or amended in connection with the implementation of the Plan, including any documentation executed in connection with the Exit Facility, the New Term Loans or the HoldCo Loan.

9. **Binding Effect.** On or after entry of the Confirmation Order and subject to the occurrence of the Effective Date, the provisions of the Plan and the Confirmation Order shall bind the Debtors, the Reorganized Debtors, HoldCo, all Holders of Claims and Interests (irrespective of whether such Claims or Interests are Impaired under the Plan or whether the Holders of such Claims or Interests accepted or are deemed to have accepted the Plan), all entities that are parties to or are subject to settlements, compromises, releases, discharges and injunctions described in the Plan or herein, any and all non-Debtor parties to executory contracts and unexpired leases with any of the Debtors, any other party in interest in the Chapter 11 Cases

and the respective heirs, executors, administrators, successors or assigns, if any, of any of the foregoing.

10. **Free and Clear.** Pursuant to section 1141(b) of the Bankruptcy Code, and except as otherwise provided in the Plan or in the Confirmation Order, from and after the Effective Date, the Reorganized Debtors and HoldCo shall be vested with all property of the Estates, free and clear of all Claims, Liens, encumbrances, charges and other interests of Holders of Claims or Interests. From and after the Effective Date, the Reorganized Debtors and HoldCo may operate each of their businesses and use, acquire or dispose of assets free of any restrictions imposed by the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Court, or the Office of the United States Trustee (except for quarterly operating reports and fees associated therewith). In addition, on the Effective Date, the Reorganized Debtors and HoldCo may (a) cause the transfer of assets or Interests between or among the Reorganized Debtors and HoldCo and/or (b) engage in any other transaction in furtherance of the Plan. Specifically, without limiting the foregoing, on the Effective Date but before the effectiveness of the Plan, HoldCo shall transfer to an affiliated Reorganized Debtor any and all assets it may hold immediately prior to the Effective Date, including, without limitation, any and all contracts or agreements to which it is a party, and shall cancel, transfer or otherwise dispose of any and all liabilities it may have immediately prior to the Effective Date, such that immediately following the Effective Date, HoldCo shall hold only Reorganized Source Interlink Companies Equity Interests and shall have no liabilities other than as permitted under the Plan and the HoldCo Loan Documents.

11. **Authorizations to Take Acts Necessary to Implement Plan.** The Debtors, the Reorganized Debtors or HoldCo as applicable, may take all actions to execute, deliver, File or record such contracts, instruments, releases, leases and other agreements or documents and take

such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan (including the substantive consolidation of the Debtors as contemplated under the Plan) without the need for any further notice to or action, order or approval of the Bankruptcy Court, or other act or action under applicable law, regulation, order or rule except for those expressly required pursuant to the Plan, the Exit Facility Documents, the New Term Loan Documents, and the HoldCo Loan Documents. All matters provided for pursuant to the Plan that would otherwise require approval of the shareholders, directors, managers or members of the Debtors, the Reorganized Debtors or HoldCo shall be deemed to have been so approved and shall be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of further action by the shareholders, directors, managers or members of the Debtors, or the need for any approvals, authorizations, actions or consents except as otherwise expressly required pursuant to the Plan, the Exit Facility Documents, the New Term Loan Documents, or the HoldCo Loan Documents. The Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules and regulations of all states and any other governmental authority with respect to the implementation or consummation of the Plan and any documents, instruments or agreements, and any amendments or modifications thereto, and any other acts and transactions referred to in or contemplated by the Plan, the Plan Supplement, the Disclosure Statement and any documents, instruments or agreements and any amendments or modifications thereto. On the Effective Date, or as soon as thereafter as is practicable, the Reorganized Debtors and HoldCo shall file their amended certificates of incorporation or other constituent documents with the Secretary of State of Delaware, in accordance with the Delaware General Corporation Law or the Delaware Limited Liability Company Act.

12. **Effectiveness of All Actions.** Except as set forth in the Plan, all actions authorized to be taken pursuant to the Plan shall be effective on, prior to or after the Effective Date pursuant to the Confirmation Order, without the need for any further notice to or action, order or approval of the Bankruptcy Court, or other act or action under applicable law, regulation, order or rule except those expressly required pursuant to the Plan.

13. **Issuance of New Stock.** HoldCo is authorized to issue the New Common Stock and the Reorganized Source Interlink Companies is authorized to ~~issue~~ ^{Issue} the Reorganized Source Interlink Companies Equity Interests, in each case, pursuant to the terms and conditions of the Plan. Pursuant to section 1141(b) of the Bankruptcy Code, from and after the Effective Date, HoldCo shall be vested with all Reorganized Source Interlink Companies Equity Interests, free and clear of all Claims, Liens, encumbrances, charges and other interests of Holders of Claims or Interests.

14. **Officers and Directors.** The structure and composition of the New Board and HoldCo's and the Reorganized Debtors' compensation of officers thereof shall be as set forth in the Plan and Plan Supplement. Each director and officer thereof shall serve from and after the Effective Date pursuant to the terms of the organizational documents set forth in the Plan Supplement or other constituent documents. Pursuant to section 1129(a)(5)(A)(ii) of the Bankruptcy Code, the Court approves as consistent with the interests of Holders of Claims and Interests and with public policy the selection, election and/or continuance, as the case may be, of these individuals; *provided* that nothing set forth herein shall prevent any of the foregoing individuals from resigning or from being removed or replaced as an officer or director without further order of the Court in accordance with the terms of HoldCo's or the Reorganized Debtors' organizational documents, as applicable. On the Effective Date (or on the Confirmation Date

with respect to any actions taken prior to the Effective Date), the adoption and filing (as necessary) of any of HoldCo's or the Reorganized Debtors' organizational documents not otherwise specifically set forth in the Confirmation Order or the Plan, as the case may be, and all other approvals and corporate actions contemplated by the Plan and the Confirmation Order and not otherwise specifically enumerated in the Confirmation Order shall be authorized and approved in all respects, subject to the provisions hereof and in the Plan, and any other applicable law.

15. **Compliance with Section 1123(a)(6) of the Bankruptcy Code.** The amended and restated certificates of incorporation of HoldCo and each of the Reorganized Debtors as set forth or described in the Plan Supplement comply in all respects with section 1123(a)(6) of the Bankruptcy Code, and are hereby approved. The adoption and filing by HoldCo and the Reorganized Debtors of such certificates of incorporation is hereby authorized, ratified and approved.

16. **Exemption from Securities Law.** The issuance of the New Common Stock and any other securities pursuant to the Plan and any subsequent sales, resales or transfers, or other distributions of any such securities shall be exempt from any federal or state securities laws registration requirements, including section 5 of the Securities Act, to the fullest extent permitted by section 1145 of the Bankruptcy Code. In addition, under section 1145 of the Bankruptcy Code, any security contemplated by the Plan and any and all settlement agreements incorporated therein, will be freely tradable by the recipients thereof, subject to (a) 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 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 (b) the restrictions, if any, on the transferability of such security and instruments in the organizational documents set forth in the Plan Supplement or other constituent documents.

17. **Cancellation of Existing Securities and Agreements.** On the Effective Date, except as otherwise specifically provided for in the Plan or the Confirmation Order: (a) the obligations of the Debtors under the Revolving Credit Facility, the Term Loan and the Indenture, and any other Certificate, share, note, bond, indenture, purchase right, option, warrant or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such Certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are reinstated pursuant to the Plan), shall be cancelled as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (b) the obligations of the Debtors pursuant, relating or pertaining to any agreements, indentures, certificates of designation, bylaws or certificate or articles of incorporation or similar documents governing the shares, Certificates, notes, bonds, indentures, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, Certificates, notes or other instruments evidencing indebtedness or obligations of the Debtors that are specifically reinstated pursuant to the Plan) shall be released and discharged; *provided* that notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the Holder of a Claim or Interest shall continue in effect solely for purposes of and solely to the extent necessary for allowing Holders to receive distributions under the Plan and as provided in the Plan; *provided, further*, 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, except as provided in the Plan.

18. **Subordination.** Except as otherwise expressly provided in any of the Plan, the Confirmation Order, any other order of the Court or the DIP Documents (as defined in the Final DIP Financing Order (as defined below)), the Exit Facility Documents, the New Term Loan Documents and the HoldCo Loan Documents: (a) the classification and manner of satisfying all Claims and Interests under the Plan takes into consideration all subordination rights, whether arising by contract or under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise; (b) all subordination rights that a Holder of a Claim or Equity Interest may have with respect to any distribution to be made under the Plan shall be discharged and terminated and all actions related to the enforcement of such subordination rights shall be enjoined permanently; (c) the distributions under the Plan to the Holders of Allowed Claims will not be subject to payment of a beneficiary of such subordination rights, or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights; and (d) as provided in paragraph 26, the subordination of liens provided under any Trade Intercreditor Agreement shall survive Confirmation and the Effective Date and be subject and subordinate to the liens and security interests securing the obligations of the Debtors or the Reorganized Debtors, as applicable, under the Exit Facility and New Term Loans.

19. **Release of Liens.** Except as otherwise provided herein, in the Plan, the Final DIP Financing Order (including with respect to the Liens securing the "Obligations" under and defined in the DIP Documents), the Exit Facility Documents, the New Term Loan Documents, the HoldCo Loan Documents, or in any contract, instrument, release or other agreement or document created pursuant to the Plan, and without any prejudice to the rights of the Debtors, the

DIP Agents, the DIP Lenders, and the lenders and agents under the Exit Facility, the New Term Loans, and the HoldCo Loan, 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, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates (other than with respect to a Secured Claim that is reinstated pursuant to the Plan), 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 Debtor, its successors and assigns.

20. **Compromise of Controversies.** In consideration for the distributions and other benefits, including releases, provided under the Plan, the provisions of the Plan constitute a good faith compromise and settlement of all Claims and controversies resolved under the Plan and the entry of the Confirmation Order constitutes approval of such compromise and settlement under Bankruptcy Rule 9019, subject to Article IV.U. of the Plan.

21. **Assumption or Rejection of Contracts and Leases.** Except as otherwise provided in the Plan, in the Confirmation Order or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each Debtor shall be deemed to have assumed each executory contract and unexpired lease to which it is a party, pursuant to section 365 of the Bankruptcy Code, unless such contract or lease (a) was previously assumed or rejected by the Debtors, (b) previously expired or terminated pursuant to its own terms, (c) is the subject of a motion to reject filed by the Debtors on or before the Confirmation Date or (d) is set forth in a schedule, as an executory contract or unexpired lease to be rejected, if any, filed by the Debtors as part of the Plan Supplement. Such contract

and lease assumptions or rejections are hereby approved as of the Effective Date pursuant to sections 365(b) and 1123(b) of the Bankruptcy Code and all objections, if any, are overruled. On the Effective Date but before the effectiveness of the Plan, Source Home Entertainment, Inc. (as HoldCo) shall assume all the executory contracts or unexpired leases, if any, to which it is a party and assign such contracts to an affiliated Reorganized Debtor.

22. **Tax Claims Bar Date.** Any Creditor holding a Priority Tax Claims or any Claim that would otherwise be of a kind specified in section 507(a)(8) of the Bankruptcy Code, but for the fact that such Claim arose prior to the applicable statutory period set forth in section 507(a)(8) of the Bankruptcy Code must file a Proof of Claim on account of such Claim and such Proof of Claim must be filed with the Bankruptcy Code on or before the first Business Day that is 180 days after the Effective Date, and all such Claims for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, HoldCo or the Reorganized Debtors, their Estates and their property, and all such Claims shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Article VIII.A. and Article VIII.H. of the Plan.

23. **Resolution of Contingent, Unliquidated and Disputed Claims.** Except as otherwise set forth herein or by order of the Bankruptcy Court, the Debtors and the Reorganized Debtors, as applicable, shall have exclusive authority to File objections to, and settle, compromise, withdraw or litigate to judgment objections to any and all Disputed Claims. From and after the Effective Date, the Reorganized Debtors, as applicable, may settle, compromise or withdraw objections to any contingent or Disputed Claim without approval of the Bankruptcy Court or notice to any party. Except as otherwise set forth herein, the Debtors, prior to the Effective Date, and thereafter the Reorganized Debtors, shall have the exclusive authority to File

objections to and settle, compromise, withdraw or litigate to judgment objections to any and all Disputed Claims not otherwise reflected in the Debtors' books and records and not otherwise satisfied and paid pursuant to Article III of the Plan. From and after the Effective Date, the Reorganized Debtors may settle, compromise or withdraw objections to any Disputed Claim without approval of the Bankruptcy Court or notice to any party. Except as expressly provided by the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim shall be deemed Allowed unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a Final Order (including the Confirmation Order) in the Chapter 11 Cases allowing such Claim. Except as expressly provided by the Plan or any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), the Reorganized Debtors will have and shall retain after the Effective Date any and all rights and defenses that the Debtors had with respect to any Claim as of the Petition Date.

24. **Authorization to Consummate.** The Debtors are authorized to consummate the Plan at any time after the entry of the Confirmation Order subject to satisfaction or waiver (by the required parties) of the conditions precedent to Consummation set forth in Article X of the Plan.

25. **Exit Facility, New Term Loans and HoldCo Loan.** The Exit Facility, the HoldCo Loan and the New Term Loans and the terms and conditions of the foregoing and the respective agreements and undertakings of the Debtors, the Reorganized Debtors and HoldCo therein are approved. Each of the Debtors, the Reorganized Debtors and HoldCo, as the case may be, is authorized to undertake any and all acts and actions required to implement the Exit Facility, the New Term Loans and the HoldCo Loan, including without limitation, entering,

executing, delivering, filing or recording any documents related thereto, including, without limitation, all related loan documents, as well as any other agreements, subordination or intercreditor agreements, instruments, or documents necessary or appropriate to implement the Exit Facility, the New Term Loans and the HoldCo Loan, with such changes from the terms set forth in the Exit Facility Term Sheet, the New Term Loans Term Sheet and the HoldCo Term Sheet as may be agreed to between and among the Debtors, the Reorganized Debtors, HoldCo, and the agents and lenders under the Exit Facility, the New Term Loans, and the HoldCo Loan, and no board, shareholder, manager, or member vote shall be required with respect thereto. The parties to the Exit Facility, the New Term Loans and the HoldCo Loan are authorized and empowered to take such steps and to execute such instruments and documents as may be necessary or appropriate to assist in the implementation of all transactions contemplated by the Exit Facility, the New Term Loans and the HoldCo Loan, including, but not limited to, the execution, delivery, filing and recording of the documents and instruments as are necessary or appropriate to effectuate, implement or consummate fully the Exit Facility, the New Term Loans and the HoldCo Loan, the Plan or the Confirmation Order. The obligations under the Exit Facility, the New Term Loans, the HoldCo Loan, the Exit Facility Documents, the New Term Loan Documents, and the HoldCo Loan Documents, including without limitation, all related mortgages and security agreements, shall, upon execution, constitute legal, valid, binding and authorized obligations of each of the Debtors or Reorganized Debtors, as applicable, enforceable in accordance with their terms and not in contravention of any state or federal law. For purposes of any Trade Intercreditor Agreement, (a) the Exit Facility is hereby deemed an amendment, modification and refinancing of the Revolving Credit Facility and the DIP Revolving Credit Facility and (b) each of the New Term Loans is hereby deemed an amendment, modification and

refinancing of the Term Loan. The Debtors and Reorganized Debtors are authorized to pay the fees and expenses set forth or referred to in any commitment letter, term sheet, or financing fee letter associated with the Exit Facility, New Term Loans, or the HoldCo Loans in accordance with the respective terms and to perform any indemnity obligations set forth or referred to therein. All payment obligations of the Debtors and Reorganized Debtors under any such commitment letter, term sheet, and related financing fee letter shall be entitled to priority as Administrative Claims under sections 503(b) and 507(a)(2) of the Bankruptcy Code. Notwithstanding any provision in the Plan or the Confirmation Order to the contrary, from and after the Effective Date, the choice of law and jurisdiction provisions of the Exit Facility Documents, the New Term Loan Documents, and the HoldCo Loan Documents shall apply to the Exit Facility, the New Term Loans, and the HoldCo Loans, respectively. Nothing in the Plan or the Confirmation Order shall be inconsistent with the terms of the Exit Facility, the New Term Loans, or the HoldCo Loan.

26. **Exit Liens, New Term Loan Liens, and HoldCo Loan Pledge.** The automatic stay imposed pursuant to section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit (without further application to the Court) the execution, delivery, filing and recordation of the Exit Facility Documents, the New Term Loan Documents, and the HoldCo Loan Documents and all transactions contemplated by such documents with respect to the Exit Facility, New Term Loans and the HoldCo Loan. The Exit Liens, the New Term Loan Liens, and the HoldCo Loan Pledge shall be legal, valid and enforceable liens and security interests, as provided in the Exit Facility Documents, the New Term Loan Documents, and the HoldCo Loan Documents and any other documents to be executed and delivered pursuant thereto shall constitute the legal, valid and binding obligations of Reorganized Debtors. As of the

Effective Date, the Exit Liens, the New Term Loan Liens, and the HoldCo Loan Pledge (i) shall constitute legal, valid and duly perfected liens against and security interests in the Collateral (as will be defined in the Exit Facility Documents and the New Term Loan Documents), and with respect to the HoldCo Loan Pledge, the SIC Undertaking; (ii) shall have the following priorities: (A) the liens on and security interests in the Current Asset Collateral³ securing the "Obligations" under and as will be defined in the Exit Facility Documents shall be first priority liens and security interests (subject to Permitted Liens as specified in the Exit Facility Documents) and shall be senior in operation, priority and effect to liens on and security interests in the Current Asset Collateral securing the "Obligations" under and as defined in the New Term Loan Documents; (B) the liens on and security interests in the Current Asset Collateral securing the "Obligations" under and as will be defined in the Exit Facility Documents and the liens on and security interests in the Current Asset Collateral securing the "Obligations" under and as will be defined in the New Term Loan Documents shall each be senior in operation, priority, and effect to liens on and security interests in the Current Asset Collateral and the products and proceeds thereof securing obligations owing to any vendor ("Vendor") under any security agreement ("Trade Security Agreement") and the liens and security interests securing obligations to any Vendor are hereby made expressly subject and subordinate to the liens on and security interests in the Current Asset Collateral securing the "Obligations" under and as will be defined in the Exit Facility Documents and the liens on and security interests in the Current Asset Collateral securing the "Obligations" under and as will be defined in the New Term Loan Documents;

³ In sum and substance, "Current Asset Collateral" means all collateral other than Fixed Asset Collateral; provided however, that to the extent that identifiable proceeds of Fixed Asset Collateral are deposited or held in any deposit account or securities accounts that constitute Current Asset Collateral after an enforcement notice such that collateral or other identifiable proceeds shall be treated as Fixed Asset Collateral.

(C) the liens on and security interests in the Fixed Asset Collateral⁴ securing the "Obligations" under and as will be defined in the New Term Loan Documents shall be first priority liens (subject to Permitted Liens as specified in the New Term Loan Documents) and security interests and shall be senior in operation, priority and effect to liens on and security interests in the Fixed Asset Collateral securing the "Obligations" under and as will be defined in the Exit Facility Documents; (D) the liens on and security interests in the Fixed Asset Collateral securing the "Obligations" under and as will be defined in the New Term Loan Documents and the liens on and security interests in the Fixed Asset Collateral securing the "Obligations" under and as will be defined in the Exit Facility Documents shall each be senior in operation, priority, and effect to liens on and security interests in the Fixed Asset Collateral and the products and proceeds thereof securing obligations owing to any Vendor ^{if any} under any Trade Security Agreement and the liens and security obligations securing obligations to any Vendor are hereby made expressly subject and subordinate to the liens on and security interests in the Fixed Asset Collateral securing the "Obligations" under and as will be defined in the Exit Facility Documents and the liens on and security interests in the Fixed Asset Collateral securing the "Obligations" under and as will be defined in the New Term Loan Documents; (E) the liens on and security interests in the

⁴ In sum and substance, "Fixed Asset Collateral" means, collectively, that portion of the collateral now owned at or any time hereafter acquired by the borrower and any guarantor under the Exit Facility or New Term Loans or in which such borrower or guarantor now has or at any time in the future may acquire any right, title or interest, consisting of (i) capital stock owned by each credit party, (ii) equipment, (iii) any interest in real property and fixtures, (iv) general intangibles, solely to the extent relating to such capital stock, equipment, interests in real property and fixtures (subject to the Exit Facility's collateral agent's right to use any intellectual property in connection with the liquidation of any inventory), (v) instruments, documents, investment property, letters of credit, letter of credit rights, supporting obligations and chattel paper, in each case, to the extent that any amounts payable under or in connection with any of the items or types of assets described in clauses (i) through (iv) above are evidenced by the items described in this clause (v), (vi) all commercial tort claims arising from or in connection with any of the items or types of assets described in clause (i) through (v) above, (vii) all books and records to the extent relating primarily to any of the items or types of assets described in clauses (i) through (vi) above, and (viii) all proceeds and products of any of the items or types of assets described in clauses (i) through (vii) above.

Collateral securing the obligations under the New Term Loan A shall have priority over the liens on and security interests in the Collateral securing the obligations under the New Term Loan B; and (F) the HoldCo Loan Pledge shall have a first priority pledge of the SIC Undertaking; and (iii) shall be deemed to be created, valid and perfected without any requirement of filing or recording of financing statements, mortgages or other evidence of such security interests, liens and mortgages and without any approvals or consents from governmental entities or any other persons and regardless of whether or not there are any errors, deficiencies or omissions in any property descriptions attached to any filing and no further act shall be required for perfection of the liens and security interests. In the event an order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, the Exit Liens, the New Term Loan Liens, and the HoldCo Loan Pledge shall not be affected and shall continue in full force and effect in all respects and shall maintain their priorities and perfected status as provided in such documents until all obligations in respect thereof shall have been paid and satisfied in full.

27. **DIP Financing.** Nothing in the Confirmation Order or the Plan shall conflict with the DIP Documents or DIP Financing Orders (as defined below). Notwithstanding anything to the contrary contained in the Confirmation Order or the Plan, the DIP Agents' and DIP Lenders' claims, liens, interests, rights, priorities, protections, and remedies arising under or in connection with the order that approved the DIP Facilities on a final basis on May 28, 2009 (the "Final DIP Financing Order"), the order that approved the DIP Facilities on an interim basis on April 29, 2009 (the "Interim Financing Order" and together with the Final DIP Financing Order, the "DIP Financing Orders"), the DIP Facilities or the DIP Documents shall extend and continue in full force and effect during the period commencing on the Confirmation Date and continuing

through the later to occur of the Effective Date and the Closing Date under and defined in each of the Exit Facility Agreement, the New Term Loan Credit Agreement and the HoldCo Loan Agreement (the "Post-Confirmation Period"); *provided further* that during the Post-Confirmation Period any and all requirements, obligations or responsibilities of the DIP Agent, each DIP Lender or otherwise relating to the Carve Out (as defined in the DIP Financing Orders) shall remain in full force and effect. Any loans, advances, letter of credit accommodations or other financial or credit accommodations made or provided by the DIP Agents and DIP Lenders to the Debtors at any time during the Post Confirmation Period shall be fully protected and entitled to all of the rights, claim priority, liens, remedies and protections afforded under the DIP Facilities and the DIP Financing Orders. Each of the Debtors and the Reorganized Debtors, as the case may be, is authorized to undertake any and all acts and actions required to implement any release agreement relating to the DIP Facilities, including without limitation, entering, executing, delivering, filing or recording any documents related thereto.

28. **Release of Carve Out.** Effective as of the Effective Date, the Debtors and their respective Case Professionals (as defined in the DIP Financing Orders) hereby release and discharge the DIP Agents and each DIP Lender from any and all requirements, obligations or responsibilities relating to the Carve Out (as defined in the DIP Financing Orders) with respect to fees and expenses incurred by the Case Professionals (as defined in the DIP Financing Orders) after the Effective Date, including, without limitation, reserving for or otherwise funding the Carve Out with respect to fees and expenses incurred by the Case Professionals (as defined in the DIP Financing Orders) after the Effective Date, as set forth in the DIP Financing Orders.

29. **Professional Compensation.** Professionals or other Entities asserting a Fee Claim for services rendered before the Confirmation Date must File and serve on the

Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Court an application for final allowance of such Fee Claim no later than 45 days after the Effective Date. Objections to the final allowance of any Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party by the later of (a) 45 days after the Effective Date and (b) 30 days after the Filing of the applicable request for payment of the Fee Claim. Notice of a hearing on the final allowance of Fee Claims shall be provided in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules. The Reorganized Debtors are authorized to pay compensation for professional services rendered and reimbursement of expenses incurred after the Confirmation Date in the ordinary course of business and without the need for Court approval.

30. **Administrative Claims.** Subject to the provisions of sections 328(a), 330 and 331 of the Bankruptcy Code, in full and final satisfaction, settlement, release and discharge of, and in exchange for, each Allowed Administrative Claim, each Holder of such Allowed Administrative Claim shall be paid in full in Cash the unpaid portion of such Allowed Administrative Claim in accordance with the terms of the applicable contract or agreement governing such Claim, if any, or otherwise in the ordinary course of business.

31. **Discharge.** As of the Effective Date, except as otherwise provided in the Plan, the Confirmation Order and the Final DIP Order, the confirmation of the Plan shall: (a) as provided in and pursuant to Article VIII.A. of the Plan and except as otherwise provided in the Plan, discharge and release all Claims, Interests and Causes of Action against the Debtors or any of their assets or properties of any nature whatsoever, including any interest accrued on Claims or Interest from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against and Interests in the Debtors, such 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 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(j) or 502(i) of the Bankruptcy Code, in each case whether or not a Proof of Claim was filed, such Claim was allowed or the Holder of such Claim has accepted the Plan and such discharge and release shall constitute a judicial determination of the discharge of all Claims and Interests and any default by the Debtors or their 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; (b) as provided in and pursuant to Article IV.M. of the Plan, amend, modify and refinance the obligations of the Debtors under the Revolving Credit Facility and the Term Loan such that the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (c) as provided in and pursuant to Article IV.M. of the Plan, cancel the Indenture and any related guarantees, and the Interests, provided that any such indenture or agreement that governs the rights of the Holder of a Claim or Interest shall continue in effect solely for the purpose of and solely to the extent necessary for (i) allowing Holders to receive distributions under the Plan and (ii) as otherwise provided by the Plan.

32. **Return of Deposits.** All utilities, including any Person who received a deposit or other form of adequate assurance of performance pursuant to section 366 of the Bankruptcy Code during the Chapter 11 Cases (collectively, the "Adequate Assurance Deposits"), including any deposit provided pursuant to any order of the Court approving *the Debtors' Motion for Entry of Interim and Final Orders Determining Adequate Assurance of Payment for Future Utility Services*, shall return such Adequate Assurance Deposits to the Debtors or the Reorganized

Debtors, as the case may be, at the conclusion of the Chapter 11 Cases, if not returned or applied earlier.

33. Releases, Injunction, Exculpation, and Related Provisions Under the Plan.

The releases, injunctions, exculpations and related provisions set forth in Article VIII.D., E., F. and H. of the Plan are hereby approved and authorized in their entirety.

34. Release and Exculpation Provisions. All release and exculpation provisions embodied in the Plan, including those contained in Article VIII.D., E. and F. of the Plan are (a) integral parts of the Plan, (b) fair, equitable, and reasonable, (c) given for valuable consideration and (d) are in the best interest of the Debtors and all parties in interest, and such provisions are approved and shall be effective and binding on all Persons and Entities, to the extent provided therein.

35. Indemnification Obligations.

a. As provided in Article VIII.G. of the Plan, on and from the Effective Date, the Reorganized Debtors shall assume all indemnification obligations currently in place, whether in the bylaws, certificates of incorporation, board resolutions or employment contracts for the current and former directors, officers, managers, employees, attorneys, other professionals and agents of the Debtors and such current and former directors', officers', managers', and employes' respective Affiliates. Without limiting the foregoing and except as prohibited by applicable law, the Debtors shall indemnify and hold harmless, except as provided in the Plan or the Plan Supplement, each of the Indemnified Parties for all costs, expenses, loss, damage or liability incurred by any such Indemnified Party arising from or related in any way to any and all Causes of Action whether known or unknown, whether for tort, fraud, contract, violations of federal or state securities laws or otherwise, based in whole or in part upon any act or omission,

transaction or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors. Any Claim based on the Debtors' obligations herein shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code. In the event that any Indemnified Party, as a result of matters to which the foregoing Indemnification may relate, the Reorganized Debtors shall promptly reimburse any such Indemnified Party, in accordance with, and to the extent of, the Reorganized Debtors' indemnification obligations, for its reasonable and documented legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith as such expenses are incurred and after a request for indemnification is made in writing, with reasonable documentation in support thereof.

b. As of the Effective Date, the Debtors shall assume (and assign to the Reorganized Debtors or HoldCo if necessary to continue the D&O Liability Insurance Policies in full force) all of the D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Notwithstanding anything to the contrary contained herein, Confirmation of the Plan shall not discharge, impair or otherwise modify any obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such obligation shall be deemed and treated as an executory contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed. On or before the Effective Date, the Reorganized Debtors may obtain reasonably sufficient tail coverage under a directors and officers' liability insurance policy for the current and former directors, officers, and managers.

36. **Payment of Statutory Fees.** All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid as and when due or otherwise pursuant to an agreement between the Reorganized Debtors and the United States Department of Justice, Office of the

United States Trustee, until such time as a chapter 11 case for a Debtor shall be closed and each Debtor shall pay any such fees as if no substantive consolidation has occurred for purposes of the Plan.

37. **Intercompany Claims.** Notwithstanding anything to the contrary herein, on or after the Effective Date, any debts held by a Debtor against another Debtor shall be reinstated, except in the case of HoldCo the last sentence of paragraph 10 shall control.

38. **Compliance with Tax Requirements.** Each Holder of an Allowed Claim that is to receive a distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution. Any party issuing any instruments or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such Holder has made arrangements satisfactory to such issuing or distributing party for payment of any such tax obligations. The Reorganized Debtors and the Disbursing Agent are authorized to take all actions necessary or appropriate to comply with applicable 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.

39. **Exemption from Transfer Taxes.** The making, delivery, filing, or recording at any time of any deed, mortgage, leasehold mortgage, deed of trust, leasehold deed of trust, memorandum of lease, lease, assignment, leasehold assignment, security agreement, financing statement, or other instrument of absolute or collateral transfer required by, or deed necessary or

desirable by the parties to, the Exit Facility, the New Term Loans, or the HoldCo Loan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, sales or use tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment. All filing or recording officers (or any other Entity with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(a) of the Bankruptcy Code, shall forego the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment. The Court shall retain specific jurisdiction with respect to these matters.

40. **Documents, Mortgages and Instruments.** Each federal, state, commonwealth, local, foreign or other governmental agency is hereby authorized to accept any and all documents, mortgages and instruments necessary or appropriate to effectuate, implement, or consummate the transactions contemplated by the Plan and the Confirmation Order.

41. **Reversal/Stay/Modification/Vacatur of Confirmation Order.** Except as otherwise provided in the Confirmation Order, if any or all of the provisions of the Confirmation Order are hereafter reversed, modified, vacated or stayed by subsequent order of the Court, or any other court, such reversal, stay, modification or vacatur shall not affect the validity or enforceability of any act, obligation, indebtedness, liability, priority or lien incurred or undertaken by the Debtors, the Reorganized Debtors or HoldCo, as applicable, prior to the effective date of any such reversal, stay, modification or vacatur, including, without limitation (a) the validity of any obligation, indebtedness or liability incurred by the Debtors, the Reorganized Debtors or HoldCo to the Exit Facility Agent (or any other agent under the Exit

Facility Documents), the New Term Loan Administrative Agent (or any other agent under the New Term Loan Documents), the Exit Facility Lenders, the lenders under the New Term Loans and/or the lenders (and any agents) under the HoldCo Loan under the Exit Facility Documents, the HoldCo Loan Documents and New Term Loan Documents or (b) the validity and enforceability of the Exit Liens or New Term Loan Liens. Notwithstanding any such reversal, stay, modification or vacatur of the Confirmation Order, any such act or obligation incurred or undertaken pursuant to, or in reliance on, the Confirmation Order prior to the effective date of such reversal, stay, modification or vacatur shall be governed in all respects by the provisions of the Confirmation Order and the Plan or any amendments or modifications thereto. Specifically, notwithstanding any such reversal, stay, modification or vacatur of the Confirmation Order, any obligation, indebtedness or liability incurred by the Debtors, the Reorganized Debtors or HoldCo under the Exit Facility Documents, New Term Loan Documents or the HoldCo Loan Documents (prior to written notice, as applicable, to the respective Exit Facility Lenders, Exit Facility Agent, lenders under the New Term Loans, New Term Loan Administrative Agent, or lenders (and any agent) under the HoldCo Loan of the effective date of such reversal, stay, modification or vacatur) shall be governed in all respect by the provisions of the Confirmation Order and the Plan or any amendments or modifications thereto and the Exit Facility Lenders, the Exit Facility Agent (or any other agent under the Exit Facility Documents), the New Term Loan Administrative Agent (or any other agent under the New Term Loan Documents), the lenders under the New Term Loans and the lenders (and any agent) under the HoldCo Loan shall be entitled to all of the rights, remedies, privileges and benefits granted herein and pursuant to the Exit Facility Documents, the New Term Loan Documents and the HoldCo Loan Documents.

42. **Continued Effect of Stays and Injunction.** All injunctions or stays provided in, or in connection with, the Chapter 11 Cases, whether pursuant to sections 105 or 362 of the Bankruptcy Code, or any other applicable law or court order, in effect immediately prior to the Confirmation of the Plan, shall remain in full force and effect thereafter, except as otherwise provided by the Confirmation Order, the Plan or their own terms. Nothing herein shall bar the taking of such other actions as are necessary to effectuate the transactions specifically contemplated by the Plan or by the Confirmation Order.

43. **Preservation of Causes of Action.** Any Causes of Action that the Debtors may hold against any Entity are hereby preserved in accordance with Article IV.U. of the Plan.

44. **Retention of Jurisdiction.** Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, pursuant to sections 105 and 1142 of the Bankruptcy Code, the Court, except as otherwise provided in the Plan or herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases to the fullest extent as is legally permissible, including jurisdiction over the matters set forth in Article XII of the Plan.

45. **Provisions of Plan and Confirmation Order Nonseverable and Mutually Dependent.** The provisions of the Plan and the Confirmation Order, including the findings of fact and conclusions of law set forth herein, are nonseverable and mutually dependent.

46. **Modifications.** Without need for further order or authorization of the Court, the Debtors or the Reorganized Debtors are authorized and empowered to make any and all modifications to any and all documents included as part of the Plan Supplement, and any other documents that are necessary to effectuate the Plan, that do not materially modify the terms of such documents and are consistent with the Plan, the DIP Documents, the Final DIP Financing

Order, the Exit Facility, the New Term Loans, and the HoldCo Loan. 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 to alter, amend or modify materially the Plan and the Plan Supplement 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 a manner consistent with the terms of the DIP Documents, the Final DIP Financing Order, the Exit Facility, the New Term Loans, and the HoldCo Loan, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with Article XI of the Plan. Entry of the Confirmation Order means 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.

47. **Governing Law.** Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an Exhibit to the Plan or Plan Supplement provides otherwise (in which case the governing law specified therein shall be applicable to such Exhibit), pursuant to Article I.D. of the Plan, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware without giving effect to the principles of conflict of laws.

48. **Applicable Non-Bankruptcy Law.** Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code, the provisions of the Confirmation Order, the Plan and related documents

or any amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

49. **Waiver of Filings.** Any requirement under section 521 of the Bankruptcy Code or Bankruptcy Rule 1007 obligating the Debtors to file any list, schedule or statement with the Court or the Office of the United States Trustee is hereby waived as to any such list, schedule or statement not filed as of the Confirmation Date.

50. **Governmental Approvals Not Required.** The Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any state or other governmental authority with respect to the implementation or consummation of the Plan and Disclosure Statement, any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in, or contemplated by, the Plan and the Disclosure Statement.

51. **Notice of Confirmation Order.** In accordance with Bankruptcy Rules 2002 and 3020(c), as soon as reasonably practicable after the Effective Date, the Debtors shall serve notice of the entry of the Confirmation Order, substantially in the form annexed hereto as Exhibit B, to all parties who hold a Claim or Equity Interest in the Chapter 11 Cases, including those parties who have requested service of papers under Bankruptcy Rule 2002 and the U.S. Trustee. Such notice is hereby approved in all respects and shall be deemed good and sufficient notice of entry of the Confirmation Order.

52. **Substantial Consummation.** On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code.

53. **Waiver of Stay.** The stay of the Confirmation Order provided by any Bankruptcy Rule (including Bankruptcy Rules 3020(e), 6004(h) and 6006(d)), whether for ten (10) days or

otherwise, is hereby waived, and the Confirmation Order shall be effective and enforceable immediately upon its entry by the Court.

54. **References to Plan Provisions.** References to Articles of the Plan are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan except as specifically provided herein. The failure to specifically include or to refer to any particular article, section or provision of the Plan or any related document in the Confirmation Order shall not diminish or impair the effectiveness of such article, section or provision, it being the intent of the Bankruptcy Court that the Plan and any related documents be confirmed in their entirety.

55. **Headings.** Headings utilized herein are for convenience and reference only, and shall not constitute a part of the Plan or the Confirmation Order for any other purpose.

56. **Effect of Conflict Between the Plan and Confirmation Order.** If there is any inconsistency between the terms of the Plan or the Plan Supplement and the terms of the Confirmation Order, the terms of the Confirmation Order shall govern and control.

57. **No Waiver.** The failure to specifically include any particular provision of the Plan in the Confirmation Order will not diminish the effectiveness of such provision nor constitute a waiver thereof, it being the intent of the Court that the Plan is confirmed in its entirety and incorporated herein by this reference.

58. **Specific Creditor Provisions.** Realty Fund VIII, L.P. The Debtors shall satisfy any outstanding Cure Claims of Realty Fund VIII, L.P. ("Realty Fund") on account of its lease with the Debtors with respect to the property located at 6420 Wilshire Boulevard, Los Angeles, California (the "Wilshire Lease") in accordance with Article V.B. of the Plan. Notwithstanding any other provision in the Plan or the Confirmation Order, with respect to, and conditioned upon,

the assumption of the Wilshire Lease, nothing therein shall, in any way, result in the release, impairment, or waiver of any of Realty Fund's or the Debtors' claims and rights under the Wilshire Lease, including, but not limited to, any outstanding Cure Claims. Further, following, and conditioned upon, the assumption of the Wilshire Lease on the Effective Date of the Plan, any and all rights or obligations of the Debtors, the Reorganized Debtors or Realty Fund under the Wilshire Lease, whether arising before or after the confirmation of the Plan, shall remain in full force and effect notwithstanding the confirmation of the Plan.

59. Maureen Linehan. Notwithstanding anything herein or in the Plan to the contrary, neither the Plan nor the Confirmation Order shall enjoin, impair, modify, discharge or otherwise affect any rights or remedies Maureen Linehan has or may have with respect to claims asserted in her lawsuit against Alliance Entertainment Corporation pending in the Circuit Court for the 17th Judicial Circuit of Florida, in and for Broward County, Florida, Case No. 06-16851-03 (the "Linehan State Court Action"), or to seek relief from the automatic stay arising under section 362 of the Bankruptcy Code with respect to the Linehan State Court Action; *provided* that the Debtors expressly reserve all Claims, rights, remedies, defenses, counterclaims, or Causes of Action with respect to the Linehan State Court Action, and the automatic stay arising under section 362 of the Bankruptcy Code shall remain in effect with respect to the Linehan State Court Action until the Effective Date occurs or the automatic stay is lifted by a Final Order of the Court, whichever comes first.

60. eVox Productions, LLC. Notwithstanding anything herein or in the Plan to the contrary, neither the Plan nor the Confirmation Order shall enjoin, impair, modify, discharge or otherwise affect any Claims, rights, remedies or Causes of Action eVox Productions, LLC has or may have with respect to (a) those certain images owned by eVox (collectively, the "eVox

Copyrighted Images”), including, but not limited to, those copyrighted images addressed in the License Agreements (as defined in the *Objection of eVox Productions, LLC to Debtors’ Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 174]), and (b) the License Agreements, and eVox is expressly permitted to pursue, commence and/or continue any and all such Claims, rights, remedies, or Causes of Action, wherever it may choose; *provided* that the Debtors expressly reserve all Claims, rights, remedies, defenses, counterclaims or Causes of Action with respect to the License Agreements or the eVox Copyrighted Images.

61. Notwithstanding Article VII.B of the Plan, the Debtors shall not seek to liquidate any Claims, rights, remedies and/or Causes of Action held by eVox arising from the eVox Copyrighted Images or the License Agreements through a proceeding before the Court; *provided* that in the event eVox files a Proof of Claim or otherwise seeks to compel payment on account of the eVox Copyrighted Images or the License Agreements through a proceeding before the Court, nothing herein shall impair, modify, limit or otherwise affect the: (a) Debtors’ right to object to such Proof of Claim or request for payment; or (b) the Court’s jurisdiction to adjudicate such objection, Proof of Claim or request for payment. In addition, nothing in the Plan nor the Confirmation Order shall be deemed to be or constitute a release of eVox’s Claims, rights, remedies and/or Causes of Action against the Debtors and the Debtors’ officers and directors; *provided* that the Debtors, their officers and directors expressly reserve all Claims, rights, remedies, defenses, counterclaims or Causes of Action with respect thereto.

62. Internal Revenue Service. Notwithstanding any provision to the contrary in the Plan, the Confirmation Order or in any other implementing Plan documents: (a) nothing shall affect the ability of the Internal Revenue Service (“IRS”) to pursue, to the extent allowed by non-

bankruptcy law, any non-debtors for any liabilities that may be related to any federal tax liabilities owed by the Debtors or the Reorganized Debtors; (b) the Priority Tax Claims Bar Date shall apply to the claims of the IRS only to the extent that the Debtors or the Reorganized Debtors file their outstanding federal tax returns for claims that are subject to the Priority Tax Claims Bar Date one hundred and twenty days prior to the Priority Tax Claims Bar Date; (c) the Debtors or the Reorganized Debtors will file within 60 days of the Effective Date, or as otherwise may be mutually agreed in writing, those outstanding federal tax returns listed by the IRS in its proofs of claims for these jointly administered Chapter 11 Cases; (d) the IRS rights to setoff and recoupment shall be preserved; (e) with respect to IRS claims, the automatic stay provision set forth in Article XIII.H of the Plan shall not extend beyond the applicable period provided for pursuant to section 362 of the Bankruptcy Code; and (f) for the sole and limited purpose of payment of the IRS's claims, the Effective Date shall be defined as the day selected by the Debtors that is a Business Day after the Confirmation Date on which the conditions as specified in the Plan, including Article X.B, have been satisfied or waived; *provided, however*, that such date shall be no more than ninety days from the date of the docketing of the Confirmation Order without further order of the Court. To the extent that the Debtors elect not to pay the Priority Tax Claims of the IRS in full on the Effective Date, payment on such claims shall commence on the Effective Date and be paid on a no less frequent than equal quarterly basis, or other mutually agreed upon basis in writing, for a period of not more than five years after the Petition Date with interest to accrue from the Effective Date at the rate and method set forth in 26 U.S.C. Sections 6621 and 6622, or as otherwise may be mutually agreed in writing.

63. SINV Parties. Notwithstanding anything in the Plan or the Confirmation Order to the contrary, neither the Plan nor the Confirmation Order shall release, reduce, eliminate

(including, without limitation, by substantive consolidation), enjoin, impair, modify, discharge or otherwise affect any Claims or Causes of Action SINV, LLC, SINV II, LLC, BFG Holdings 2000, LLC, and/or SI Holdings, LLC (collectively, the "SINV Parties"): (a) have or may have, either directly or by way of derivative action, against: (i) the Debtors and/or Reorganized Debtors; (ii) the Debtors' and/or Reorganized Debtors' affiliates and/or former affiliates; (iii) any officers or directors of the Debtors' and/or Reorganized Debtors' affiliates and/or former affiliates; and/or (iv) any stockholder or former stockholder of the Debtors' and/or Reorganized Debtors' affiliates or former affiliates; and (b) that are in any way related to any damage, loss, or obligation, arising out of or related to any lease or other agreement, including, without limitation, any Claims or Causes of Action held by any of the SINV Parties for fraudulent transfers, unlawful dividends, breach of fiduciary duty, or otherwise relating to the collection of any loss, damage, or other obligation arising under or related to any lease or other agreement; *provided* that, the Debtors, the Reorganized Debtors, HoldCo or any entity or person referred to in clauses (i) through and including (iv) of this paragraph expressly reserve all claims, rights, remedies, defenses, counterclaims (including, without limitation, either directly or by way of derivative action, any claims against the SINV Parties, any current or former affiliates, directors, officers, stockholders or interest holders thereof), causes of action (including, without limitation, wrongful suit, either directly or by way of derivative action) or otherwise with respect to any such Claims or Causes of Action. Without limitation, for avoidance of any doubt: (i) neither the Debtors, HoldCo, the Reorganized Debtors, ^{or} any entity or person referred to in clauses (i) through (iv) above shall be entitled to raise any objection to or raise any defense to any such Claim or Cause of Action based upon substantive consolidation of the Estates under the Plan or

Articles VIII.E or VIII.H. of the Plan; and (ii) Article VIII.A of the Plan shall not affect the liability of any ~~Non-Debtor party~~ on any Claim or Cause of Action held by the SINV Parties.


[non-Debtor entity]

64. Notwithstanding anything to the contrary in the Plan or Confirmation Order, the Claim Objection Bar Date with respect to any Proof of Claim filed by the SINV Parties shall be the date which is 80 days following the Filing and receipt of such Proof of Claim by the Reorganized Debtors of the applicable SINV Party Proof of Claim.

65. BTR Hampstead, LLC. Notwithstanding anything herein or in the Plan to the contrary, neither the Plan nor the Confirmation Order shall enjoin, impair, modify, discharge or otherwise affect any Claims, rights, remedies or Causes of Action BTR Hampstead, LLC has or may have with respect to *Source Interlink Distribution v. BTR Hampstead, LLC* on appeal before the Maryland Court of Special Appeals, Case Number 00199, September Term, 2009 (the "State Case") and BTR Hampstead, LLC is hereby granted relief, as of the effective date of the Plan, from the automatic stay of section 362 of the Bankruptcy Code to continue the State Case; *provided* that the Debtors expressly reserve all Claims, rights, remedies, defenses, counterclaims or Causes of Action with respect to the State Case or otherwise.

66. **Final Order.** The Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

Wilmington, Delaware
Dated: May 28 2009


The Honorable Kevin Gross
United States Bankruptcy Judge

65A. For the avoidance of doubt, the Members of the Ad Hoc Committee of Equity Security Holders (as defined in [Docket No. 155]) are not Releasing Parties under the Plan.

EXHIBIT A

The Plan

K&E 14681124.

TRADEMARK
REEL: 004266 FRAME: 0203

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	Case No. 09-11424 (KG)
Source Interlink Companies, Inc., et al., ¹)	Jointly Administered
)	
Debtors.)	

DEBTORS' PREPACKAGED JOINT PLAN OF REORGANIZATION
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE (WITH TECHNICAL AMENDMENTS)

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Co-Counsel to the Debtors

Dated: May 26, 2009

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: Source Interlink Companies, Inc. (8299); AEC Direct, LLC (1003); Automotive.com, LLC (2610); Canoe & Kayak, Inc. (5510); Directou, Inc. (4741); Enthusiast Media Subscription Company, Inc. (1137); Motor Trend Auto Shows, LLC (5888); RDS Logistics, LLC (0305); Source-Chestnut Display Systems, Inc. (6446); Source Home Entertainment, Inc. (8517); Source Interlink Distribution, LLC (3387); Source Interlink International, Inc. (1428); Source Interlink Magazines, LLC (3601); Source Interlink Manufacturing, LLC (7123); Source Interlink Media, LLC (4935); Source Interlink Retail Services, LLC (6967); Source Mid Atlantic News, LLC (7108); The Interlink Companies, Inc. (2991). The location of the Debtors' corporate headquarters and the service address for all Debtors is: 27500 Riverview Center Boulevard, Suite 400, Bonita Springs, Florida 34134.

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INTRODUCTION

Source Interlink Companies, Inc. and the other Debtors in the above-captioned Chapter 11 Cases respectfully propose the following prepackaged joint plan of reorganization for the resolution of outstanding Claims against, and Interests in, the Debtors pursuant to title 11 of the United States Code, 11 U.S.C. §§ 101-1532. Capitalized terms used in the Plan and not otherwise defined herein shall have the meanings ascribed to such terms in Article I.A hereof. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, 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. THE PLAN PROVIDES FOR SUBSTANTIVE CONSOLIDATION OF ALL OF THE ESTATES FOR ALL PURPOSES ASSOCIATED WITH CONFIRMATION AND CONSUMMATION OF THE PLAN.

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

A. *Defined Terms*

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:

1. "*Accrued Professional Compensation*" means, at any given moment, all accrued fees and expenses (including success fees) for services rendered by a Professional through and including the Confirmation Date, to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or other order of the Bankruptcy Court and regardless of whether a fee application has been Filed for such fees and expenses. To the extent the Bankruptcy Court or any higher court denies or reduces by a Final Order any amount of a Professional's fees or expenses, then the amount by which such fees or expenses are reduced or denied shall no longer constitute Accrued Professional Compensation.

2. "*Administrative Claim*" means a Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) compensation for legal, financial advisory, accounting, and other services and reimbursement of expenses Allowed pursuant to sections 328, 330(a), or 331 of the Bankruptcy Code or otherwise for the period commencing on the Petition Date; (c) all fees and charges assessed against the Estates pursuant to chapter 123 of the Judicial Code; and (d) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code.

3. "*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code.

4. "*Allowed*" means with respect to Claims: (a) any Claim proof of which is timely Filed (or for which Claim under the Plan, the Bankruptcy Code, or Final Order of the Bankruptcy Court a Proof of Claim is or shall not be required to be Filed); (b) any Claim that is listed in the Schedules as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been timely Filed; or (c) any Claim Allowed pursuant to the Plan; *provided, however*, that with respect to any Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that with respect to any Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so interposed and the Claim shall have been Allowed for voting purposes only by a Final Order. Any Claim that has been or is hereafter listed in the Schedules as contingent,

unliquidated or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court.

5. "Ballots" means the ballots accompanying the Disclosure Statement upon which certain Holders of Impaired Claims entitled to vote shall, among other things, indicate their acceptance or rejection of the Plan in accordance with the Plan and the procedures governing the solicitation process, and which must be actually received on or before the Voting Deadline.

6. "Bankruptcy Code" means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as applicable to the Chapter 11 Cases.

7. "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 and/or the order of the United States District Court for the District of Delaware, the United States District Court for the District of Delaware.

8. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

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

10. "Cash" means the legal tender of the United States of America or the equivalent thereof.

11. "Causes of Action" means any claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. Cause of Action also includes: (a) any right of setoff, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to sections 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any state law fraudulent transfer claim; and (f) any claim listed in the Plan Supplement.

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

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

14. "Claim" means any claim against a Debtor as defined in section 101(5) of the Bankruptcy Code.

15. "Claims Objection Bar Date" means, as applicable, the latest of: (x) 180 days after the Effective Date; (y) 180 days after the relevant Proof of Claim is Filed; or (z) such later period of limitation as may be specifically fixed by the Debtors or the Reorganized Debtors.

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

17. "Committee" or "Committees" means any official committee (and any and all subcommittees thereof) appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

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

19. "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.

20. "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.

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

22. "Consummation" means the occurrence of the Effective Date.

23. "Cure Claim" means a Claim based upon the Debtors' defaults, if any, on an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtors pursuant to sections 365 or 1123 of the Bankruptcy Code.

24. "D&O Liability Insurance Policies" means all insurance policies for directors', managers', and officers' liability maintained by the Debtors as of the Petition Date.

25. "Debtor" means one of the Debtors, in its individual capacity as a debtor in the Chapter 11 Cases.

26. "Debtor Release" means the release given by the Debtors to the Debtor Releasees as set forth in Article VIII.D hereof.

27. "Debtor Releasee" means, collectively, (a) all current officers, directors, managers, and employees of the Debtors; and (b) all attorneys, financial advisors, advisors, accountants, investment bankers, investment advisors, actuaries, professionals and affiliates of the Debtors, their subsidiaries, and each of their respective predecessors and successors in interest, and all of their respective current and former members (including *ex officio* members), officers, directors, employees, partners, attorneys, financial advisors, accountants, managed funds, investment bankers, investment advisors, actuaries, professionals and affiliates, each in their respective capacities as such; provided, however, that no Non-Released Party will be a Debtor Releasee.

28. "Debtors" means, collectively: Source Interlink Companies, Inc.; ABC Direct, LLC; Automotive.com, LLC; Canoe & Kayak, Inc.; Directtou, Inc.; Enthusiast Media Subscription Company, Inc.; Motor Trend Auto Shows, LLC; RDS Logistics, LLC; Source-Chestnut Display Systems, Inc.; Source Home Entertainment, Inc.; Source Interlink Distribution, LLC; Source Interlink International, Inc.; Source Interlink Magazines, LLC; Source Interlink Manufacturing, LLC; Source Interlink Media, LLC; Source Interlink Retail Services, LLC; Source Mid Atlantic News, LLC; and The Interlink Companies, Inc.

29. "Debtors in Possession" means, collectively, the Debtors, as debtors in possession in the Chapter 11 Cases, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

30. "DIP Agents" means, collectively, the DIP Revolving Credit Facility Agent and the DIP Term Loan Agent.

31. "DIP Credit Agreements" means, collectively, the DIP Revolving Credit Facility Agreement and the DIP Term Loan Agreement.

32. "DIP Facilities" means, collectively, the DIP Revolving Credit Facility and the DIP Term Loan.

33. "DIP Facility Claims" means, collectively, DIP Revolving Credit Facility Claims and DIP Term Loan Claims.

34. "DIP Lenders" means, collectively, the DIP Revolving Credit Facility Lenders and the DIP Term Loan Lenders.

35. "DIP Revolving Credit Facility" means that certain debtor in possession revolving credit facility entered into pursuant to the DIP Revolving Credit Facility Agreement.

36. "DIP Revolving Credit Facility Agent" means the administrative agent under the DIP Revolving Credit Facility Agreement, or any successor agent appointed in accordance with such agreement.

37. "DIP Revolving Credit Facility Agreement" means that certain debtor in possession credit agreement to be executed on or prior to the Petition Date by and among the Debtors, the DIP Revolving Credit Facility Agent, the DIP Revolving Credit Facility Lenders named therein, and the other parties thereto, as the same may be subsequently modified, amended, or supplemented, together with all instruments and agreements related thereto on commercially reasonable terms for similar transactions and substantially consistent with the term sheet attached to the Disclosure Statement as Exhibit E.

38. "DIP Revolving Credit Facility Claim" means any and all Claims arising under or related to the DIP Revolving Credit Facility, including, without limitation, the "Related Document Obligations" as defined in the DIP Revolving Credit Facility Agreement.

39. "DIP Revolving Credit Facility Lenders" means the DIP Revolving Credit Facility Agent and the banks, financial institutions, and other lender parties to the DIP Revolving Credit Facility Agreement from time to time, each in their capacity as such.

40. "DIP Term Loan" means that certain debtor in possession term loan entered into pursuant to the DIP Term Loan Agreement.

41. "DIP Term Loan Agent" means the administrative agent under the DIP Term Loan Agreement, or any successor agent appointed in accordance with such agreement.

42. "DIP Term Loan Agreement" means that certain debtor in possession credit agreement to be executed on or prior to the Petition Date by and among the Debtors, the DIP Term Loan Agent, the DIP Term Loan Lenders named therein, and the other parties thereto, as the same may be subsequently modified, amended, or supplemented, together with all instruments and agreements related thereto on commercially reasonable terms for similar transactions and substantially consistent with the term sheet attached to the Disclosure Statement as Exhibit E.

43. "DIP Term Loan Claim" means any and all Claims arising under or related to the DIP Term Loan.

44. "DIP Term Loan Lenders" means the DIP Term Loan Agent and the banks, financial institutions, and other lender parties to the DIP Term Loan Agreement from time to time, each in their capacity as such.

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

46. "Disclosure Statement" means the *Disclosure Statement for the Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated April 25, 2009 [Docket No. 19], as supplemented by the Disclosure Statement Supplement, and as further amended, supplemented, or modified from time to time, 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.

46A. "Disclosure Statement Supplement" means the Supplement to the *Disclosure Statement for the Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code*, dated April 27, 2009 [Docket No. 21], 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" means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

48. "Effective Date" means the date selected by the Debtors that is a Business Day after the Confirmation Date on which the conditions as specified in the Plan, including Article X.B hereof, have been satisfied or waived. Unless otherwise specifically provided in the Plan, any of the documents contained in the Plan Supplement, or the DIP Credit Agreement, anything required to be done by the Debtors on the Effective Date may be done on the Effective Date or as soon as reasonably practicable thereafter.

49. "Entity" means an entity as defined in section 101(15) of the Bankruptcy Code.

50. "Equity Interest" means any share of common stock, preferred stock or other instrument evidencing an ownership interest in any of the Debtors, whether or not transferable, and any option, warrant or right, contractual or otherwise, to acquire any such interest in a Debtor that existed immediately prior to the Effective Date, including any Claim subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising therefrom; provided, however, that Equity Interest does not include any Intercompany Interest.

51. "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.

52. "Exculpated Parties" means, collectively: (a) the Debtors; (b) the Reorganized Debtors; (c) the Debtor Releasees; (d) the Indenture Trustee; (e) the Third Party Releasees; and (f) all of the current and former members (including *ex officio* members), officers, directors, managers, employees, partners, attorneys, financial advisors, accountants, investment bankers, investment advisors, actuaries, professionals, agents, affiliates and representatives of each of the foregoing Entities (whether current or former, in each case in his, her or its capacity as such); provided, however, that no Non-Released Party will be an Exculpated Party.

53. "Exculpation" means the exculpation provision set forth in Article VIII.F hereof.

54. "Executory Contract" means a contract 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.

55. "Exit Facility" means the new revolving credit facility to be entered into by the Debtors pursuant to the Exit Facility Agreement.

56. "Exit Facility Agent" means the administrative agent to be appointed under the Exit Facility Agreement.

57. "Exit Facility Agreement" means that agreement to be executed on or before the Effective Date, including any agreements, amendments, supplements or documents related thereto, on commercially reasonable terms for similar transactions acceptable to: (a) the Debtors; and (b) the Required Plan Modification Agents and substantially consistent with the term sheet attached to the Disclosure Statement as Exhibit F.

58. "Exit Facility Documents" means, collectively, the Exit Facility Agreement and all related agreements, documents or instruments to be executed or delivered in connection with the Exit Facility and the Exit Facility Agreement.

59. "Fee Claim" means a Claim for Accrued Professional Compensation.

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

61. "Final Order" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari 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 Filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought.

62. "General Unsecured Claim" means any unsecured Claim against any of the Debtors that is not: (a) an Administrative Claim; (b) a Priority Tax Claim; (c) an Other Priority Claim; (d) a Senior Notes Claim; (e) a Section 510(b) Claim; or (f) an Intercompany Claim.

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

64. "Holder" means any Entity holding a Claim or an Interest.

65. "HoldCo" means the holding company that shall hold 100% of the Reorganized Source Interlink Companies Equity Interests upon the Effective Date.

66. "HoldCo Loan" means that \$200 million unsecured term loan to be entered into pursuant to the HoldCo Loan Agreement.

67. "HoldCo Loan Agreement" means that certain loan agreement to be executed on or prior to the Effective Date by the Debtors and the administrative agent as party thereto and the lenders as parties thereto on commercially reasonable terms for similar transactions acceptable to: (a) the Debtors; and (b) the Required Plan Modification Agents and substantially consistent with the term sheet attached to the Disclosure Statement as Exhibit Q.

68. "HoldCo Loan Documents" means the HoldCo Loan Agreement and all related documents, agreements or instruments to be executed or delivered in connection therewith.

69. "Impaired" means any Claim or Interest in an Impaired Class.

70. "Impaired Class" means an impaired Class within the meaning of section 1124 of the Bankruptcy Code.

71. "Indemnification" means the indemnification provision set forth in Article VIII.G hereof.

72. "Indemnification Provision" means each of the Debtors' indemnification provisions currently in place whether in the bylaws, certificates of incorporation, other formation documents, board resolutions or employment contracts for the current and former directors, officers, managers, employees, attorneys, other professionals and agents of the Debtors and such current and former directors', officers', and managers' respective Affiliates.

73. "Indemnified Parties" means, collectively, the Debtors and each of their respective current and former officers, directors, managers, and employees, each in their respective capacities as such.

74. "Indenture" means that certain indenture dated June 23, 2008 by and between Source Interlink Companies, Inc. and various Affiliates of Source Interlink Companies as guarantors, and HSBC Bank USA, National Association, as trustee.

75. "Indenture Trustee" means HSBC Bank USA, National Association, in its capacity as trustee under the Indenture.

76. "Intercompany Claim" means any Claim held by a Debtor against another Debtor or any Claim held by an Affiliate against a Debtor.

77. "Intercompany Contracts" means any Executory Contract, Unexpired Lease, agreement, contract, or lease the parties to which are Debtors.

78. "Intercompany Interest" means an Equity Interest in a Debtor held by another Debtor, or an Equity Interest in a Debtor held by an Affiliate of a Debtor. For the avoidance of doubt, Intercompany Interests excludes Equity Interests in Source Interlink Companies.

79. "Interests" means, collectively, Equity Interests and Intercompany Interests.

80. "Interim Compensation Order" means an order of the Bankruptcy Court allowing Professionals to seek interim compensation in accordance with the procedures approved therein, as the same may be modified by a Bankruptcy Court order approving the retention of a specific Professional or otherwise.

81. "Judicial Code" means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

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

83. "Management Incentive Program" means that certain post-Effective Date Management Incentive Program, the terms of which plan shall be determined and implemented on or as soon as reasonably practicable after the Effective Date by the New Board or any compensation committee thereof in its discretion.

84. "New Board" means the initial board of directors of HoldCo.

85. "New Common Stock" means 100,000,000 newly-issued shares of common stock of HoldCo.

86. "New Term Loan Administrative Agent" means Citicorp North America, Inc., in its capacity as administrative agent under the New Term Loan Credit Agreement.

87. "New Term Loan Credit Agreement" means that amended and restated term loan agreement to be executed by the Debtors and the New Term Loan Administrative Agent and those lenders as parties thereto on or before the Effective Date, including any agreements, amendments, supplements, or documents related thereto, on commercially reasonable terms for similar transactions acceptable to: (a) the Debtors; and (b) the Required Plan Modification Agents and substantially consistent with the term sheet attached to the Disclosure Statement as Exhibit F.

88. "New Term Loan A" means the new term loan A facility to be entered into by the Debtors pursuant to the New Term Loan Credit Agreement.

89. "New Term Loan B" means the new term loan B facility to be entered into by the Reorganized Debtors pursuant to the New Term Loan Credit Agreement.

90. "New Term Loan Documents" means the New Term Loan Credit Agreement and all related documents, agreements or instruments to be executed and delivered in connection therewith.

91. "Non-Released Parties" means those Entities identified in the Plan Supplement as Non-Released Parties.

92. "Other Priority Claim" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than: (a) an Administrative Claim; or (b) a Priority Tax Claim.

93. "Other Secured Claim" means any Secured Claim that is not: (a) a Revolving Credit Facility Claim; (b) a Term Loan Claim; or (c) a DIP Facility Claim.

94. "Person" means a "person" as defined in section 101(41) of the Bankruptcy Code.

95. "Petition Date" means April 27, 2009.

96. "Plan" means this *Debtors' Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)*, as amended, supplemented, or modified from time to time, including the Plan Supplement and the term sheets attached as Exhibits B, C, and D to the Disclosure Statement Supplement, which are incorporated herein by reference.

97. "Plan Supplement" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan, to be Filed prior to the Confirmation Hearing, as amended, supplemented, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, and the Bankruptcy Rules, including: (a) to the extent known, the identity of the members of the New Board and the nature and compensation for any member of the New Board who is an "insider" under section 101(31) of the Bankruptcy Code; (b) a list of Executory Contracts and Unexpired Leases to be rejected; (c) a schedule of Causes of Action to be retained by the Reorganized Debtors; (d) a description of the Shareholders Agreement; (e) a description of HoldCo's acquiring and holding 100% of the Reorganized Source Interlink Companies Equity Interests; and (f) amended certificates of incorporation and by-laws or a description thereof.

98. "Priority Tax Claim" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

99. "Priority Tax Claims Bar Date" means the first Business Day that is 180 days after the Effective Date.

100. "Pro Rata" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan.

101. "Professional" means an Entity: (a) retained pursuant to a Final 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, 363, and 331 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 Escrow Account" means an interest-bearing account in an amount equal to the Professional Fee Reserve Amount funded and maintained by the Reorganized Debtors on and after the Effective Date solely for the purpose of paying all Allowed and unpaid Fee Claims.

103. "Professional Fee Reserve Amount" means the aggregate Accrued Professional Compensation through the Confirmation Date as estimated by the Professionals in accordance with Article IX.B hereof.

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

105. "Record Date" means the close of business on April 16, 2009.

106. "Rejection Claim" means a Claim arising from the rejection of an Executory Contract or Unexpired Lease.

107. "Rejection Claims Bar Date" means the first Business Day that is 30 days after the latest of: (x) the date of entry of an order of the Bankruptcy Court approving the rejection of the relevant Executory Contract

or Unexpired Lease; (y) the Effective Date; and (z) the effective date of rejection for the relevant Executory Contract or Unexpired Lease.

108. "*Release Opt-Out Form*" means a form included in the Ballots, due by the Voting Deadline, pursuant to which Holders of Claims entitled to Vote to accept or reject the Plan but who do not otherwise vote to accept or reject the Plan may opt-out of the Third Party Release.

109. "*Releasing Parties*" means, collectively: (a) the Revolving Credit Facility Agents; (b) the Revolving Credit Facility Lenders; (c) the Term Loan Agents; (d) the Term Loan Lenders; (e) the DIP Agents; (f) the DIP Lenders; and (g) all Holders of Claims or Equity Interests except Holders of any Claims or Equity Interests: (x) who vote to reject the Plan; (y) who do not vote to accept or reject the Plan but who timely submit a Release Opt-Out Form indicating their decision to not participate in the Third Party Release set forth in Article VIII.E hereof; or (z) who are in a Class that is deemed to reject the Plan.

110. "*Reorganized Debtor*" or "*Reorganized Debtors*" means the Debtors, in each case, or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

111. "*Reorganized Source Interlink Companies*" means Source Interlink Companies as reorganized under and pursuant to the Plan, or any successor thereto, by merger, consolidation, transfer of substantially all assets or otherwise, on and after the Effective Date.

112. "*Reorganized Source Interlink Companies Equity Interests*" means the equity interests in Reorganized Source Interlink Companies to be issued on or prior to the Effective Date.

113. "*Required Plan Modification Agents*" means: (a) the Term Loan Administrative Agent; (b) the Revolving Credit Facility Administrative Agent (provided that Revolving Credit Facility Claims are not rolled up pursuant to the DIP Facilities); and (c) the DIP Agents. In each instance in which a right or authority of a Required Plan Modification Agent is recognized, such right or authority is subject to such Person's obligations as agent under (and as described in) the respective DIP Credit Agreement, the Term Loan Agreement or the Revolving Credit Agreement, as applicable.

114. "*Revolving Credit Agreement*" means that certain Revolving Credit Agreement, dated as of August 1, 2007, as the same may have been amended from time to time, by and between Source Interlink Companies, as borrower, certain Affiliates of Source Interlink Companies as guarantors, the Revolving Credit Facility Agents, and the Revolving Credit Facility Lenders.

115. "*Revolving Credit Facility*" means the \$300 million secured credit facility provided under the Revolving Credit Agreement.

116. "*Revolving Credit Facility Administrative Agent*" means Citicorp North America, Inc., in its capacity as administrative agent under the Revolving Credit Facility.

117. "*Revolving Credit Facility Agents*" means, collectively, the Revolving Credit Facility Administrative Agent, the Revolving Credit Facility Collateral Agent, the Revolving Credit Facility Documentation Agent, and the Revolving Credit Facility Syndication Agent.

118. "*Revolving Credit Facility Claim*" means any Claim arising under or related to upon the Revolving Credit Facility, including the "Related Document Obligations" as defined in the Revolving Credit Agreement.

119. "*Revolving Credit Facility Collateral Agent*" means Citicorp North America, Inc., in its capacity as collateral agent under the Revolving Credit Facility.

120. "Revolving Credit Facility Documentation Agent" means, collectively, Wachovia Bank, National Association and Wells Fargo Foothill, LLC, each in their capacity as co-documentation agents under the Revolving Credit Facility.

121. "Revolving Credit Facility Lenders" means those banks, financial institutions, and other lender parties to the Revolving Credit Facility from time to time, each in their capacity as such.

122. "Revolving Credit Facility Syndication Agent" means JPMorgan Chase Bank, N.A., in its capacity as syndication agent under the Revolving Credit Facility.

123. "Schedules" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as the same may have been amended, modified, or supplemented from time to time.

124. "Section 510(b) Claims" means any Claim subject to subordination under section 510(b) of the Bankruptcy Code; provided that a Section 510(b) Claim shall not include any Claim subject to subordination under section 510(b) of the Bankruptcy Code arising from or related to an Equity Interest.

125. "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) otherwise Allowed pursuant to the Plan as a Secured Claim.

126. "Secured Claim" means a Claim that is Secured.

127. "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as amended, or any similar federal, state or local law.

128. "Securities Exchange Act" means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a-78nn, as amended.

129. "Senior Notes" means those 11.25% Senior Notes due July 15, 2015, issued under the Indenture.

130. "Senior Notes Claim" means any Claim derived from or based upon the Indenture with respect to the Senior Notes; provided that Senior Notes Claims shall not include Section 510(b) Claims.

131. "Shareholders Agreement" means that certain agreement to be executed on or before the Effective Date providing for, among other things, the rights and obligations of the Holders of the New Common Stock which shall be in form and substance satisfactory to the Requisite Lenders (as defined by the Term Loan Agreement).

132. "Source Interlink Companies" means Source Interlink Companies, Inc., a Delaware corporation.

133. "Subplan" means a subplan of reorganization that would be filed by each of the Debtors in the event the Bankruptcy Court does not substantively consolidate the Debtors' Estates.

134. "Term Loan" means the \$880 million term loan provided under the Term Loan Agreement.

135. "Term Loan Administrative Agent" means Citicorp North America, Inc., in its capacity as administrative agent under the Term Loan Agreement.

136. "Term Loan Agents" means, collectively, the Term Loan Administrative Agent, the Term Loan Collateral Agent, and the Term Loan Syndication Agent.

137. "Term Loan Agreement" means that certain Term Loan Agreement, dated as of August 1, 2007, as the same may have been amended from time to time, by and between Source Interlink Companies, as borrower, certain Affiliates of Source Interlink Companies as guarantors, the Term Loan Agents, and the Term Loan Lenders.

138. "Term Loan Claim" means any Claim arising under or related to the Term Loan.

139. "Term Loan Collateral Agent" means Citicorp North America, Inc., in its capacity as collateral agent under the Term Loan Agreement.

140. "Term Loan Lenders" means those banks, financial institutions, and other lender parties to the Term Loan from time to time, each in their capacity as such.

141. "Term Loan Syndication Agent" means JPMorgan Chase Bank, N.A. in its capacity as syndication agent under the Term Loan Agreement.

142. "Third Party Release" means the release provision set forth in Article VIII.E hereof.

143. "Third Party Releasees" means, collectively, (a) the Revolving Credit Facility Agents; (b) the Revolving Credit Facility Lenders; (c) the Term Loan Agents; (d) the Term Loan Lenders; (e) the DIP Agents; (f) the DIP Lenders; and (g) all attorneys, financial advisors, advisors, accountants, investment bankers, investment advisors, actuaries, professionals, current and former members (including ex officio members), officers, directors, employees, partners, and affiliates of each of the foregoing, each of the foregoing in their respective capacities as such; provided, however, that any Holder of a Claim who votes to reject the Plan or who submits a Release Opt-Out Form opting out of the Third Party Release shall not be a Third Party Releasee.

144. "Trade Intercreditor Agreement" means any intercreditor or subordination agreement between, among others, the Term Loan Administrative Agent, the Revolving Credit Facility Administrative Agent and certain of the Debtors' vendors (each in their capacities as such) including: (a) Universal Music Group Distribution Corp.; (b) Warner Home Video, a division of Warner Home Entertainment Corp.; (c) Warner/Elektra/Atlantic Corp.; (d) Capitol Records, Inc.; (e) Caroline Records, Inc.; (f) Sony BMG Music Entertainment on behalf of itself and its subsidiaries, Sony BMG Music Entertainment (US Latin) LLC and Red Distribution LLC; and (g) Universal Studios Home Entertainment LLC, governing, among other things, the respective rights, remedies, and priorities of Claims and Liens held by such parties, or any similar or related agreement (and as the same may have been modified, amended or restated).

145. "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.

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

147. "Voting Deadline" means 5:00 p.m. (prevailing Eastern Time) on April 27, 2009.

B. Rules of Interpretation

For purposes herein: (a) 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; (b) 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; (c) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, modified, or supplemented; (d) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (e) unless otherwise stated, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) 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 hereof; (g) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) 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.

C. Computation of Time

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

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 Delaware, 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), and corporate governance matters; 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 applicable Debtor or Reorganized Debtor, 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.

F. Reference to the Debtors or the Reorganized Debtors

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.

ARTICLE II.

DIP FACILITY CLAIMS, ADMINISTRATIVE CLAIMS, AND PRIORITY TAX CLAIMS

A. DIP Facility Claims

1. DIP Revolving Credit Facility Claims

Subject to the terms of the DIP Revolving Credit Facility Agreement, in full and final satisfaction, settlement, release, and discharge of and in exchange for each DIP Revolving Credit Facility Claim, on the Effective Date DIP Revolving Credit Facility Claims shall be paid in full in Cash with proceeds from the Exit Facility.

2. DIP Term Loan Claims

Subject to the terms of the DIP Term Loan Agreement, in full and final satisfaction, settlement, release, and discharge of and in exchange for each DIP Term Loan Claim, on the Effective Date DIP Term Loan Claims shall convert into obligations of the Debtors under the New Term Loan A on a dollar for dollar basis.

B. Administrative Claims

1. Administrative Claims Other Than Fee Claims

Subject to the provisions of sections 328, 330(a), and 331 of the Bankruptcy Code, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Administrative Claim, each

Holder of such Allowed Administrative Claim shall be paid in full in Cash the unpaid portion of such Allowed Administrative Claim in accordance with the terms of the applicable contract or agreement governing such Claim, if any, or otherwise in the ordinary course of business.

2. Fee Claims

Professionals or other Entities asserting a Fee Claim for services rendered before the Confirmation Date must File and serve on the Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, or other order of the Bankruptcy Court an application for final allowance of such Fee Claim no later than 45 days after the Effective Date. Objections to any Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party by the later of (x) 45 days after the Effective Date and (y) 30 days after the Filing of the applicable request for payment of the Fee Claim. To the extent necessary, the Plan and the Confirmation Order shall amend and supersede any previously entered order regarding the payment of Fee Claims.

C. Priority Tax Claims

Subject to the requirements of Article IV.V hereof, except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment or has been paid by the Debtors prior to the Effective Date, 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 receive on account of such Claim, payment in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, regular installment payments in Cash: (1) of a total value, as of the Effective Date, equal to the Allowed amount of such Claim; (2) which total value shall include simple interest to accrue on any outstanding balance of such Allowed Priority Tax Claim starting on the Effective Date at the rate of interest determined under applicable nonbankruptcy law pursuant to section 511 of the Bankruptcy Code; and (3) over a period ending not later than 5 years after the Petition Date.

ARTICLE III. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

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

A. Summary of Classification

All Claims and Interests, other than DIP Facility Claims, Administrative Claims, and Priority Tax Claims, are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. 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 is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

1. Substantive Consolidation of the Debtors

Pursuant to Article IV.B hereof, the Plan provides for the 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:

<u>Class</u>	<u>Claim</u>	<u>Status</u>	<u>Voting Rights</u>
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	Revolving Credit Facility Claims	Unimpaired	Deemed to Accept
4	Term Loan Claims	Impaired	Entitled to Vote
5	Senior Notes Claims	Impaired	Deemed to Reject
6	General Unsecured Claims	Unimpaired	Deemed to Accept
7	Intercompany Claims	Unimpaired	Deemed to Accept
8	Intercompany Interests	Unimpaired	Deemed to Accept
9	Section 510(b) Claims	Impaired	Deemed to Reject
10	Equity Interests in Source Interlink Companies	Impaired	Deemed to Reject

B. Treatment of Claims and Interests

To the extent a Class contains Allowed Claims or Allowed Interests with respect to a particular Debtor, the treatment provided to each Class for distribution purposes is specified below:

1. Class 1 - Other Priority Claims

- (a) *Classification:* Class 1 consists of all Other Priority Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment for such Holder, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each Holder of such Allowed Other Priority Claim shall be paid in full in Cash on the later of the Effective Date or the date on which such Other Priority Claim becomes an Allowed Other Priority Claim or as soon as reasonably practicable thereafter.
- (c) *Voting:* Class 1 is Unimpaired, and Holders of Class 1 Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1 Other Priority Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 - Other Secured Claims

- (a) *Classification:* Class 2 consists of all Other Secured Claims.
- (b) *Treatment:* Except to the extent that a Holder of an Allowed Other Secured Claim and the Debtors agree to less favorable treatment for such Holder, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Other Secured Claim, each Allowed Other Secured Claim shall be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.
- (c) *Voting:* Class 2 is Unimpaired, and Holders of Class 2 Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 2 Other Secured Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 - Revolving Credit Facility Claims

- (a) *Classification:* Class 3 consists of all Revolving Credit Facility Claims.
- (b) *Allowance:* To the extent not rolled up by the DIP Revolving Credit Facility as of the Effective Date, the Revolving Credit Facility Claims shall be Allowed and deemed to be Allowed Claims in the amount of \$158,725,062.05,² plus interest and fees due and owing under the Revolving Credit Facility, which Allowed Claims shall not be subject to any avoidance, reductions, setoff, recharacterization, subordination, counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under applicable law by any Entity.
- (c) *Treatment:* To the extent Revolving Credit Facility Claims are not rolled up by the DIP Revolving Credit Facility as of the Effective Date, Holders of Revolving Credit Facility Claims will receive payment in full in Cash of such Revolving Credit Facility Claims with the proceeds from the Exit Facility, in full and final settlement, release and discharge of and in exchange for each Revolving Credit Facility Claim.
- (d) *Voting:* Class 3 is Unimpaired, and Holders of Class 3 Revolving Credit Facility Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 3 Revolving Credit Facility Claims are not entitled to vote to accept or reject the Plan.

4. Class 4 - Term Loan Claims

- (a) *Classification:* Class 4 consists of all Term Loan Claims.
- (b) *Allowance:* The Term Loan Claims shall be Allowed and deemed to be Allowed Claims in the amount of \$866,800,000.00, plus interest and fees due and owing under the Term Loan Agreement, which Allowed Claims shall not be subject to any avoidance, reductions, setoff, recharacterization, subordination, counterclaims, cross claims, defenses, disallowance, impairment, or any other challenges under applicable law by any Entity.
- (c) *Treatment:* In full and final satisfaction, settlement, release, and discharge of and in exchange for each Term Loan Claim, each Holder of such Term Loan Claim shall receive on or as soon as reasonably practicable after the Effective Date: (i) its Pro Rata share of 100% of the New Common Stock; (ii) its Pro Rata share of HoldCo's obligations under the HoldCo Loan; (iii) its Pro Rata share of \$315,000,000 of the Debtors' obligations under the New Term Loan B; and (iv) with respect to each Holder of a Term Loan Claim that commits to fund loans under the DIP Term Loan, up to \$85,000,000 of the Debtors' obligations under the New Term Loan B on a dollar-for-dollar basis for each dollar committed by such Holder under the DIP Term Loan.
- (d) *Voting:* Class 4 is Impaired. Therefore, Holders of Class 4 Term Loan Claims as of the Record Date are entitled to vote to accept or reject the Plan.

5. Class 5 - Senior Notes Claims

- (a) *Classification:* Class 5 consists of all Senior Notes Claims.

² The total amount of Allowed Revolving Credit Facility Claims shall be revised as of the Petition Date.

- (b) *Treatment:* Holders of Senior Notes Claims will not receive any distribution on account of such Claims, and Senior Notes Claims shall be discharged, cancelled, released, and extinguished as of the Effective Date.
- (c) *Voting:* Class 5 is Impaired, and Holders of Class 5 Senior Notes Claims are not entitled to receive or retain any property under the Plan on account of Class 5 Senior Notes Claims. Therefore, Holders of Class 5 Senior Notes Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code, and Holders of Class 5 Senior Notes Claims are not entitled to vote to accept or reject the Plan.

6. Class 6 - General Unsecured Claims

- (a) *Classification:* Class 6 consists of all General Unsecured Claims.
- (b) *Treatment:* Except to the extent that a Holder of a General Unsecured Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each General Unsecured Claim, each Holder of such General Unsecured Claim shall be paid in full in Cash, or otherwise receive such treatment as to render such Holder Unimpaired. A General Unsecured Claim that is not due and payable on or before the Effective Date shall be paid thereafter without regard to any acceleration caused by the Filing of the Chapter 11 Cases (i) in the ordinary course of business in accordance with applicable law or the terms of any agreement that governs such General Unsecured Claim or (ii) in accordance with the course of practice or dealing between the Debtors and such Holder with respect to such General Unsecured Claim.
- (c) *Voting:* Class 6 is Unimpaired, and Holders of Class 6 General Unsecured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 6 General Unsecured Claims are not entitled to vote to accept or reject the Plan.

7. Class 7 - Intercompany Claims

- (a) *Classification:* Class 7 consists of all Intercompany Claims.
- (b) *Treatment:* Intercompany Claims shall be reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.
- (c) *Voting:* Class 7 is Unimpaired, and Holders of Class 7 Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 7 Intercompany Claims are not entitled to vote to accept or reject the Plan.

8. Class 8 - Intercompany Interests

- (a) *Classification:* Class 8 consists of all Intercompany Interests.
- (b) *Treatment:* Although Intercompany Interests shall not receive any distribution on account of such Intercompany Interests, Intercompany Interests will not be cancelled and, solely to implement the Plan, will be addressed as set forth in Article IV.K hereof.
- (c) *Voting:* Class 8 is Unimpaired, and Holders of Class 8 Intercompany Interests are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 8 Intercompany Interests are not entitled to vote to accept or reject the Plan.

9. Class 9 - Section 510(b) Claims

- (a) *Classification:* Class 9 consists of all Section 510(b) Claims.
- (b) *Treatment:* Holders of Section 510(b) Claims will not receive any distribution on account of such Claims, and Section 510(b) Claims shall be discharged, cancelled, released, and extinguished as of the Effective Date.
- (c) *Voting:* Class 9 is Impaired, and Holders of Class 9 Section 510(b) Claims are not entitled to receive or retain any property under the Plan on account of Class 9 Section 510(b) Claims. Therefore, Holders of Class 9 Section 510(b) Claims are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code, and Holders of Class 9 Section 510(b) Claims are not entitled to vote to accept or reject the Plan.

10. Class 10 - Equity Interests in Source Interlink Companies

- (a) *Classification:* Class 10 consists of all Equity Interests in Source Interlink Companies.
- (b) *Treatment:* Holders of Equity Interests in Source Interlink Companies will not receive any distribution on account of such Claims, and Equity Interests in Source Interlink Companies shall be discharged, cancelled, released, and extinguished as of the Effective Date.
- (c) *Voting:* Class 10 is Impaired, and Holders of Class 10 Equity Interests in Source Interlink Companies are not entitled to receive or retain any property under the Plan on account of Class 10 Equity Interests in Source Interlink Companies. Therefore, Holders of Class 10 Equity Interests in Source Interlink Companies are deemed not to have accepted the Plan pursuant to section 1126(g) of the Bankruptcy Code, and Holders of Class 10 Equity Interests in Source Interlink Companies 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. Presumed Acceptance of the Plan

Classes 1, 2, 3, 6, 7 and 8 are Unimpaired under the Plan and are, therefore, conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

2. Voting Class

Class 4 is Impaired under the Plan, and Holders of Class 4 Claims as of the Record Date are entitled to vote to accept or reject the Plan.

3. Deemed Rejection of the Plan

Classes 5, 9 and 10 are Impaired and shall receive no distribution under the Plan and are, therefore, deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

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 an Impaired Class of Claims. 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. The Debtors reserve the right to modify the Plan in accordance with Article XI hereof to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

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.

**ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. Sources of Consideration for Plan Distributions

All consideration necessary for the Reorganized Debtors to make payments or distributions pursuant hereto shall be obtained from the HoldCo Loan, the Exit Facility, the New Term Loan A, the New Term Loan B, the issuance of the New Common Stock, or other Cash from the Debtors, including Cash from operations.

B. Substantive Consolidation

The Plan shall serve as a motion by the Debtors seeking entry of an order substantively consolidating all of the Estates 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 Source Interlink Companies 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 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, 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 the Affiliates arising from substantive consolidation under the Plan shall be deemed cured as of the Effective Date.

In the event that the Bankruptcy Court does not order substantive consolidation of the Debtors, then except as specifically set forth in the Plan: (1) nothing in the Plan or the Disclosure Statement shall constitute or be deemed to constitute an admission that one of the Debtors is subject to or liable for any Claim against any other Debtor; (2) Claims against multiple Debtors shall be treated as separate Claims with respect to each Debtor's Estate for all purposes (including distributions and voting), and such Claims shall be administered as provided in the Plan; (3) the Debtors shall not, nor shall they be required to, resolicit votes with respect to the Plan, nor will the failure of the Bankruptcy Court to approve substantive consolidation of the Debtors alter the distributions set forth in the Plan; and (4) the Debtors may file Subplans of reorganization and the confirmation requirements of section 1129 of the Bankruptcy Code must be satisfied separately with respect to each Subplan; provided that a Holder's (a) vote to accept or reject the Plan; (b) presumed acceptance of the Plan pursuant to section 1126(f) of the Bankruptcy Code; or (c) deemed rejection of the Plan pursuant to section 1126(g) may be deemed a vote to accept or reject an applicable Subplan (as the case may be) to the extent that such Subplan does not provide such Holder with less favorable treatment than such Holder would have received if the Bankruptcy Court had ordered substantive consolidation as set forth herein. The Debtors' inability to confirm any Subplan or the Debtors' election to

withdraw any Subplan shall not impair the confirmation of any other Subplan or the consummation of any such Subplan.

C. HoldCo

In order to facilitate and implement the Plan, the Debtors shall, as described in the Plan Supplement, take all actions necessary, appropriate, or desirable to cause HoldCo to hold 100% of the Reorganized Source Interlink Companies Equity Interests upon the Effective Date, whether by forming HoldCo as a new Entity or from an existing affiliate of the Debtors, or by causing Source Interlink Companies to transfer its assets to a newly formed successor Entity such that Source Interlink Companies is HoldCo and the newly formed successor Entity is Reorganized Source Interlink Companies, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, articles of incorporation, operating agreements, bylaws, or other documents containing terms that are consistent with or reasonably necessary to implement the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; and (3) all other actions that the Reorganized Debtors determine are necessary or appropriate.

D. Exit Facility

Confirmation shall be deemed approval of the Exit Facility (including the transactions contemplated thereby, such as any supplementation or additional syndication of the Exit Facility, and all actions to be taken, undertakings to be made, and obligations to be incurred by HoldCo, if any, and the Reorganized Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein) and authorization for the Reorganized Debtors to enter into and execute the Exit Facility Agreement and such other documents as may be required or appropriate to effectuate the treatment afforded to such lenders pursuant to the Exit Facility Agreement. The Reorganized Debtors may use the Exit Facility for any purpose permitted thereunder, including the funding of obligations under the Plan and satisfaction of ongoing working capital needs. To the extent Revolving Credit Facility Claims are not rolled up by the DIP Revolving Credit Facility as of the Effective Date, Revolving Credit Facility Claims shall be paid in full in Cash with the proceeds from the Exit Facility.

Upon the satisfaction or waiver of the conditions precedent to effectiveness set forth in the Exit Facility Agreement, DIP Revolving Credit Facility and the Revolving Credit Facility shall be refinanced and the Revolving Credit Agreement and the DIP Revolving Credit Facility Agreement shall be deemed to have been terminated. Notwithstanding the foregoing, all obligations of the Debtors to the DIP Revolving Credit Facility Agent and the DIP Revolving Credit Facility Lenders under the DIP Revolving Credit Facility Agreement which are expressly stated in the DIP Revolving Credit Facility Agreement as surviving such agreement's termination shall, as so specified, survive without prejudice and remain in full force and effect. For purposes of any Trade Intercreditor Agreement, the Exit Facility shall be deemed an amendment, modification or refinancing of the Revolving Credit Facility.

Upon the date the Exit Facility Agreement becomes effective, (1) HoldCo, the Debtors and the Reorganized Debtors are authorized to execute and deliver the Exit Facility Agreement and perform their obligations thereunder including, without limitation, the payment or reimbursement of any fees, expenses, losses, damages or indemnities, (2) the Exit Facility Documents shall constitute the legal, valid and binding obligations of HoldCo (to the extent applicable) and the Reorganized Debtors which are parties thereto, enforceable in accordance with their respective terms, and (3) no obligation, payment, transfer or grant of security under the Exit Facility Documents shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law or subject to any defense, reduction, recoupment, setoff or counterclaim.

HoldCo, the Debtors and the Reorganized Debtors, as applicable, and any other Entities granting any Liens and security interests to secure the obligations under the Exit Facility Documents are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary or desirable to establish and further evidence of perfection of such liens and security interests under the provisions of any applicable federal, state, provincial or other law (whether domestic or foreign) (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals and consents shall not

be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties.

E. HoldCo Loan

The Confirmation Order shall constitute an order of the Bankruptcy Court approving the HoldCo Loan and authorization for the Debtors, the Reorganized Debtors and HoldCo, as the case may be, to enter into and execute the HoldCo Loan Agreement and such other documents as may be required or appropriate to effectuate the treatment afforded to such lenders pursuant to the HoldCo Loan Agreement, and upon the Effective Date and in accordance with the HoldCo Loan Agreement, the HoldCo Loan shall constitute legal, valid, and binding obligations of HoldCo, enforceable in accordance with its terms.

F. New Term Loan Credit Agreement

The Confirmation Order shall constitute an order of the Bankruptcy Court approving the New Term Loan A and New Term Loan B and authorization for the Debtors, the Reorganized Debtors and HoldCo, as the case may be, to enter into and execute the New Term Loan Credit Agreement and such other documents as may be required or appropriate to effectuate the treatment afforded to such lenders pursuant to the New Term Loan Credit Agreement, and upon the Effective Date and in accordance with the New Term Loan Credit Agreement, the New Term Loan A and the New Term Loan B shall constitute legal, valid, and binding obligations of HoldCo and the Reorganized Debtors, enforceable in accordance with its terms.

Upon the date the New Term Loan A and the New Term Loan B become effective, HoldCo, the Debtors and the Reorganized Debtors are (1) authorized to execute and deliver the New Term Loan Credit Agreement and perform their obligations thereunder including, without limitation, the payment or reimbursement of any fees, expenses, losses, damages or indemnities, (2) the New Term Loan Credit Agreement shall constitute the legal, valid and binding obligations of the Reorganized Debtors which are parties thereto, enforceable in accordance with their respective terms, and (3) no obligation, payment, transfer or grant of security under the New Term Loan Credit Agreement shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law or subject to any defense, reduction, recoupment, setoff or counterclaim. For purposes of any Trade Intercreditor Agreement, the New Term Loan Credit Agreement shall be deemed an amendment, modification or refinancing of the Term Loan.

HoldCo, the Debtors and the Reorganized Debtors, as applicable, and any other Entities granting any Liens and security interests to secure the obligations under the New Term Loan Credit Agreement are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary or desirable to establish and further evidence of perfection of such liens and security interests under the provisions of any applicable federal, state, provincial or other law (whether domestic or foreign) (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order and any such filings, recordings, approvals and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such liens and security interests to third parties.

G. Issuance of Reorganized Source Interlink Companies Equity Interests

The issuance of the Reorganized Source Interlink Companies Equity Interests is authorized without the need for any further corporate action or without any further action by a Holder of Claims or Interests. On the Effective Date, 100% the Reorganized Source Interlink Companies Equity Interests shall be held by HoldCo pursuant to Article IV.C hereof.

H. Issuance of New Common Stock

The issuance of the New Common Stock, including the shares of the New Common Stock, options, or other equity awards reserved for the Management Incentive Program (if any), by HoldCo is authorized without the need for any further corporate action or without any further action by a Holder of Claims or Interests. On the Effective Date, the New Common Stock shall be issued to the Holders of Term Loan Claims pursuant to the terms hereof.

All of the shares of New Common Stock issued pursuant to the Plan shall be duly authorized, validly issued and 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 herein 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.

The New Common Stock may be subject to certain transfer and other restrictions pursuant to the Shareholders Agreement, a description of which will be Filed pursuant to the Plan Supplement.

I. Section 1145 Exemption

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of any Securities contemplated by the Plan and all agreements incorporated herein, including the New Common Stock, 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, any securities contemplated by the Plan and any and all agreements incorporated therein, including the New Common Stock, will be freely tradable by the recipients thereof, subject to (1) 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; (2) compliance with 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; (3) the restrictions, if any, on the transferability of such securities and instruments, including those set forth in Article IV.J hereof; and (4) applicable regulatory approval.

J. Listing of New Common Stock

The Reorganized Debtors shall not be obligated to list the New Common Stock on a national securities exchange.

K. Corporate Existence

Except as otherwise provided herein and notwithstanding Article IV.B hereof, 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 bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by the Plan (including all actions necessary, appropriate, or desirable to cause HoldCo to hold 100% of the Reorganized Source Interlink Companies Equity Interests as of the Effective Date) 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. Consequently, Intercompany Interests shall be retained, and the legal, equitable, and contractual rights to which Holders of Intercompany Interests are entitled shall remain unaltered to the extent necessary to implement the Plan.

L. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided herein or any agreement, instrument, or other document incorporated therein, on the Effective Date, all property in each Estate, all Causes of Action (except those released pursuant to the Debtor Release), 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 granted to secure the HoldCo Loan, if any, the Exit Facility, the New Term Loan A, the New Term Loan B, and Claims pursuant to the DIP Facilities that by their terms survive termination of the DIP Facilities). On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its 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.

M. Cancellation of Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the Debtors under the Indenture, and any other Certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such Certificates, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically reinstated pursuant to the Plan), shall be cancelled as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; (2) the obligations of the Debtors under the Revolving Credit Facility and the Term Loan, shall be deemed amended, modified or refinanced such that the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (3) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, Certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, Certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically reinstated pursuant to the Plan) shall be released and discharged; provided, however, notwithstanding Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the Holder of a Claim or Interest shall continue in effect solely for purposes of allowing Holders to receive distributions under the Plan as provided herein.

On the Effective Date, except to the extent otherwise provided herein, any indenture relating to any of the foregoing, including the Indenture, shall be deemed to be canceled, as permitted by section 1123(a)(5)(F) of the Bankruptcy Code, and the obligations of the Debtors thereunder shall be fully released and discharged.

N. Restructuring Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, certificates of incorporation, operating agreements, bylaws, or other documents containing terms that are consistent with or reasonably necessary to implement the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; and (3) all other actions that the Reorganized Debtors determine are necessary or appropriate (including with respect to HoldCo pursuant to Article IV.C hereof).

O. Corporate Action

Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including: (1) adoption or assumption, as applicable, of Executory Contracts and Unexpired Leases; (2) selection of the directors and officers for the Reorganized Debtors and HoldCo; (3) the execution of and entry into the Exit Facility Agreement; (4) the execution and entry into the HoldCo Loan Agreement; (5) the execution of and entry into the New Term Loan Credit Agreement; (6) the distribution of the New Common Stock as provided herein; (7) adoption of the Management Incentive Program; and (8) all other actions contemplated by 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 or the Reorganized Debtors 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 or the Reorganized Debtors.

On or (as applicable) prior to the Effective Date, the appropriate officers of HoldCo, the Debtors or the Reorganized Debtors (including, any vice-president, president, chief executive officer, treasurer or chief financial officer thereof), as applicable, shall be authorized and directed to issue, execute and deliver the agreements, documents, securities, certificates of incorporation, operating agreements, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including: (1) the HoldCo Loan; (2) the Exit Facility; (3) the New Term Loan A; (4) the New

Term Loan B; and (5) any and all other agreements, documents, securities and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article IV.O shall be effective notwithstanding any requirements under nonbankruptcy law.

P. Effectuating Documents; Further Transactions

On and after the Effective Date, HoldCo, the Reorganized Debtors and the managers, 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 or appropriate 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 HoldCo or the Reorganized Debtors (as applicable), without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

Q. Exemption from Certain Taxes and Fees

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (1) the creation of any mortgage, deed of trust, lien or other security interest; (2) the making or assignment of any lease or sublease; (3) any restructuring transaction authorized by Article IV.N hereof; or (4) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation, or dissolution; (c) deeds; (d) bills of sale; or (e) assignments executed in connection with any Restructuring Transaction occurring under the Plan.

R. Employee and Retiree Benefits

Except as otherwise provided herein, on and after the Effective Date, HoldCo or the Reorganized Debtors, as applicable, may: (1) honor, in the ordinary course of business, any contracts, agreements, policies, programs, and plans for, among other things, compensation (other than equity based compensation related to Equity Interests in Source Interlink Companies), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the Debtors who served in such capacity at any time; and (2) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date; provided, however, that the Debtors' or Reorganized Debtors' performance under any employment agreement will not entitle any person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Effective Date, or restore, reinstate, or revive any such benefit or alleged entitlement under any such policy, program, or plan. Nothing herein shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law. As of the Effective Date, any equity award, stock option, or similar plans other than the Management Incentive Program shall be cancelled, including any such equity award, stock option, or similar plans incorporated into any existing employment agreement.

S. D&O Liability Insurance Policies

Notwithstanding anything herein to the contrary, as of the Effective Date, the Debtors shall assume (and assign to the Reorganized Debtors or HoldCo if necessary to continue the D&O Liability Insurance Policies in full force) all of the D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained herein, Confirmation

of the Plan shall not discharge, impair, or otherwise modify any obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be Filed. On or before the Effective Date, the Reorganized Debtors may obtain reasonably sufficient tail coverage (i.e., D&O insurance coverage that extends beyond the end of the policy period) under a directors and officers' liability insurance policy for the current and former directors, officers, and managers for a term not to exceed six years.

T. Indemnification Provisions

Notwithstanding anything herein to the contrary the Reorganized Debtors or HoldCo (if necessary to continue all Indemnification Provisions in full force), as of the Effective Date, shall assume all Indemnification Provisions. All Indemnification Provisions in place on and prior to the Effective Date for current and former officers, directors, managers and employees of the Debtors and their subsidiaries and such current and former officers', directors', managers', and employees' respective Affiliates shall survive the Effective Date for all Claims related to or in connection with, without limitation, any actions, omissions or transactions occurring prior to the Effective Date; provided, however, that notwithstanding anything herein to the contrary, the Debtors shall not indemnify or assume any Indemnification Provision as to any of the Non-Released Parties for any matter.

U. Preservation of Rights of Action

In accordance with section 1123(b) of the Bankruptcy Code, and except where such Causes of Action have been expressly released (including, for the avoidance of doubt, pursuant to the Debtor Release provided by Article VIII.D 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. 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 them as any indication that the Debtors or Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against them. Except with respect to Causes of Action as to which the Debtors or Reorganized Debtors have released any Person or Entity on or prior to the Effective Date (pursuant to the Debtor Release or otherwise), the Debtors or 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.

V. Priority Tax Claims Bar Date

Notwithstanding anything herein to the contrary, any Creditor holding (1) a Priority Tax Claim or (2) a Claim that would otherwise be a Priority Tax Claim but for the fact that such Claim arose prior to the applicable statutory period set forth by section 507(a)(8) of the Bankruptcy Code must file a Proof of Claim on account of such Claim, and such Proof of Claim must be Filed with the Bankruptcy Court on or before the Priority Tax Claims Bar Date. All (1) Priority Tax Claims or (2) Claims that would otherwise be Priority Tax Claims but for the fact that such Claims arose prior to the applicable statutory period set forth by section 507(a)(8) of the Bankruptcy Code for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, HoldCo, or the Reorganized Debtors, their Estates, and their property unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. All such Priority Tax Claims or Claims that would otherwise be Priority Tax Claims but for the fact that such Claims arose prior to the applicable statutory period set forth by section 507(a)(8) of the Bankruptcy Code shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Article VIII.A and Article VIII.H hereof.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided herein, or in any contract, instrument, release, indenture, or other agreement or document entered into in connection with the Plan, as of the Effective Date, each Debtor shall be deemed to have assumed each Executory Contract and Unexpired Lease to which it is a party (including all D&O Liability Insurance Policies), unless such Executory Contract or Unexpired Lease: (1) was assumed or rejected previously by the Debtors; (2) previously expired or terminated pursuant to its own terms; (3) is the subject of a motion to reject filed on or before the Effective Date; or (4) is identified as an Executory Contract or Unexpired Lease to be rejected pursuant to the Plan Supplement. The Confirmation Order shall constitute an order of the Bankruptcy Court under sections 365 and 1123(b) of the Bankruptcy Code approving the assumptions or rejections described above as of the Effective Date.

Notwithstanding the foregoing paragraph, after the Effective Date, the Reorganized Debtors shall have the right to terminate, amend, or modify any intercompany contracts, leases, or other agreements without approval of the Bankruptcy Court.

B. Payments Related to Assumption of Executory Contracts and Unexpired Leases

With respect to any Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant hereto (including pursuant to Article V.A hereof) or otherwise, Cure Claims shall be satisfied, pursuant to section 365(b) of the Bankruptcy Code, by payment of the Cure Claims in Cash on the Effective Date or as soon as reasonably practicable thereafter or on such other terms as the parties to each such Executory Contract or Unexpired Lease may otherwise agree. In the event of a dispute regarding: (1) the amount of any Cure Claim; (2) the ability of the Reorganized Debtors to provide "adequate assurance of future performance" (within the meaning of section 365(b) of the Bankruptcy Code), if applicable, under the Executory Contract or the Unexpired Lease to be assumed; or (3) any other matter pertaining to assumption, the Cure Claims shall be paid following the entry of a Final Order resolving the dispute and approving the assumption of such Executory Contracts or Unexpired Leases; provided, however, that the Debtors or the Reorganized Debtors may settle any dispute regarding the amount of any Cure Claim without any further notice to or action, order, or approval of the Bankruptcy Court.

C. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases

Rejection or repudiation 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 under such contracts or leases. In particular, notwithstanding any nonbankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Debtors or Reorganized Debtors, as applicable, from counterparties to rejected or repudiated Executory Contracts or Unexpired Leases.

D. Intercompany Contracts, Contracts, and Leases Entered Into After the Petition Date

On and after the Effective Date, the Debtors may continue to perform under Intercompany Contracts, contracts, and leases entered into after the Petition Date by any Debtor in the ordinary course of business.

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

Unless otherwise provided in the Plan, each assumed Executory Contract or Unexpired Lease 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.

F. Indemnification Provisions

Notwithstanding anything herein to the contrary, the Reorganized Debtors or HoldCo (if necessary to continue all Indemnification Provisions in full force), as of the Effective Date, shall assume all Indemnification Provisions. All Indemnification Provisions in place on and prior to the Effective Date for current and former officers, directors, managers, and employees of the Debtors and their subsidiaries and such current and former directors', officers', managers' and employees' respective Affiliates shall survive the Effective Date for all Claims related to or in connection with, without limitation, any actions, omissions or transactions occurring prior to the Effective Date; provided, however, that notwithstanding anything herein to the contrary, the Debtors shall not indemnify or assume any Indemnification Provision as to any of the Non-Released Parties for any matter.

G. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, 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 Reorganized Debtor has any liability thereunder. In the event of 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 90 days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease as otherwise provided herein.

H. Nonoccurrence of Effective Date

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

I. Rejection Claims Bar Date

Notwithstanding anything herein to the contrary, any Creditor holding a Rejection Claim must File a Proof of Claim on account of such Claim, and such Proofs of Claim must be Filed with the Bankruptcy Court on or before the Rejection Claims Bar Date. All Rejection Claims for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, HoldCo, or the Reorganized Debtors, their Estates, and their property unless otherwise ordered by the Bankruptcy Court or as otherwise provided herein. All such Rejection Claims shall, as of the Effective Date, be subject to the discharge and permanent injunction set forth in Article VIII.A and Article VIII.H hereof.

**ARTICLE VI,
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Timing and Calculation of Amounts to Be Distributed

Except as otherwise provided in the Plan, on the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim against the Debtors shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class and in the manner provided herein. 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, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII hereof. Except as otherwise provided herein,

Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

For the avoidance of doubt, Holders of General Unsecured Claims entitled to distributions hereunder shall receive such distributions without regard to any acceleration caused by the Filing of the Chapter 11 Cases: (1) in the ordinary course of business in accordance with applicable law or the terms of any agreement that governs such General Unsecured Claim; or (2) in accordance with the course of practice or dealing between the Debtors and such Holder with respect to such General Unsecured Claim

B. Disbursing Agent

Except as otherwise provided herein, all distributions under the Plan shall be made by the Reorganized Debtors as Disbursing Agent or such other Entity designated by the Reorganized Debtors as a Disbursing Agent on the Effective Date. A 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. In the event that a Disbursing Agent is so 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. Distributions on Account of Claims Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to Holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Debtors or the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the Holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Except as otherwise provided herein, the Reorganized Debtors shall make distributions to Holders of Allowed Claims at the address for each such Holder as indicated on the Debtors' books and 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; and provided, further, 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.

Distributions of New Common Stock and any notes, certificates or other instruments evidencing the obligations of the Reorganized Debtors or HoldCo under the New Term Loan A, the New Term Loan B or the HoldCo Loan shall be (a) made to the Term Loan Administrative Agent for the benefit of Holders of Term Loan Claims as provided herein; (b) made to the DIP Term Loan Administrative Agent for the benefit of the DIP Term Loan Lenders; and (c) deemed completed when made to the Term Loan Administrative Agent or the DIP Term Loan Agent, respectively.

2. Minimum Distributions

The Reorganized Debtors shall not be required to make partial distributions or payments of fractions of shares of New Common Stock and such fractions shall be deemed to be zero.

3. 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, such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of six months from the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors (notwithstanding any applicable federal 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.

F. Compliance with Tax Requirements/Allocations

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 hereto 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 or appropriate 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.

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.

G. Setoffs

The Debtors and the Reorganized Debtors may withhold (but not set off except as set forth below) from the distributions called for under the Plan on account of any Allowed Claim (other than DIP Facility Claims and Term Loan Claims) an amount equal to any claims, equity interests, rights, and Causes of Action of any nature that the

Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim. In the event that any such claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim) the amount of any adjudicated or resolved claims, equity interests, rights, and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claims, equity interests, rights, and Causes of Action that the Debtors or the Reorganized Debtors may possess against any such Holder, except as specifically provided herein.

H. 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 Reorganized Debtor. 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 two weeks 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.

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 a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, 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. Prosecution of Objections to Claims

The Debtors or the Reorganized Debtors, as applicable, shall have the exclusive authority to File, settle, compromise, withdraw, or litigate to judgment any objections to Claims, other than Fee Claims, as permitted under the Plan. From and after the Effective Date, the Debtors and the Reorganized Debtors may settle or compromise any Disputed Claim without approval of the Bankruptcy Court. The Debtors reserve all rights to resolve any Disputed Claim outside the Bankruptcy Court under applicable governing law.

B. Procedures Regarding Disputed Claims

Except as otherwise provided herein (including Article IV.V and Article V.I hereof), Holders of Claims shall not be required to File a Proof of Claim, and no parties should File a Proof of Claim. Instead, the Debtors intend to make distributions, as required by the Plan, in accordance with the books and records of the Debtors; provided that the Debtors and the Reorganized Debtors, as applicable, reserve all rights to object to any Claim for which a Proof of Claim is Filed by the Claims Objection Bar Date.

For the avoidance of doubt: (1) Holders of Rejection Claims must File a Proof of Claim with respect to such Claims by the Rejection Claims Bar Date; and (2) Holders of Priority Tax Claims or Claims that would otherwise be Priority Tax Claims but for the fact that such Claims arose prior to the applicable statutory period set forth by section 507(a)(8) of the Bankruptcy Code must File a Proof of Claim with respect to such Claims by the Priority Tax Claims Bar Date.

Unless disputed by a Holder of a Claim or otherwise provided herein, the amount set forth in the books and records of the Debtors shall constitute the amount of the Allowed Claim of such Holder. If any such Holder of a Claim disagrees with the Debtors' books and records with respect to the Allowed amount of such Holder's Claim, such Holder must so advise the Debtors in writing, in which event the Claim will become a Disputed Claim. The Debtors intend to attempt to resolve any such disputes consensually or through judicial means outside the Bankruptcy Court. Nevertheless, the Debtors may, in their discretion, File with the Bankruptcy Court (or any other court of competent jurisdiction) an objection to the allowance of any Claim or any other appropriate motion or adversary proceeding with respect thereto, and the Debtors reserve the right to compromise, settle, withdraw, or litigate to judgment any objections to Claims for which a Proof of Claim is Filed.

Any Debtor or Reorganized Debtor, as applicable, may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether such Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors or the Reorganized Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. Each of the aforementioned objection, estimation, and resolution procedures are cumulative and are not exclusive of one another.

C. Allowance of Claims and Interests

Except as expressly provided herein, no Claim shall be deemed Allowed unless and until such Claim is deemed Allowed under the Bankruptcy Code, under the Plan, or the Bankruptcy Court enters a Final Order in the Chapter 11 Cases allowing such Claim under section 502 of the Bankruptcy Code. Except as expressly provided in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), the Reorganized Debtors after the Effective Date will have and retain any and all rights and defenses held by the Debtors with respect to any Claim as of the Petition Date.

D. No Distributions Pending Allowance

Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or distribution provided under the Plan shall be made on account of such Disputed Claim unless and until such Disputed Claim becomes an Allowed Claim.

E. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably

practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim.

**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, the distributions, rights, and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release, and discharge, effective as of the Effective Date, of all Claims, 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 (including HoldCo), 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 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 Interest based upon such Claim, 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 Claim, 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. Except as otherwise provided herein, any default by the Debtors or their 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, except as otherwise expressly provided in the Plan.

B. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and 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. Subject to the requirements of section 1129(b) of the Bankruptcy Code (as applicable), no Holder of a Section 510(b) Claim shall receive any distribution on account of such Section 510(b) Claim, and all Section 510(b) Claims shall be extinguished.

C. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a Holder of a Claim may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against them and Causes of Action against other Entities.

D. Debtor Release

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ON THE EFFECTIVE DATE AND EFFECTIVE AS OF THE EFFECTIVE DATE (SUCH THAT THE REORGANIZED DEBTORS WILL NOT RECEIVE ANY CLAIM OR CAUSE OF ACTION RELEASED HEREUNDER), FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY EACH OF THE DEBTOR RELEASEES AND THE THIRD PARTY RELEASEES, INCLUDING: (1) THE DISCHARGE OF DEBT AND ALL OTHER GOOD AND VALUABLE CONSIDERATION PAID PURSUANT HERETO; AND (2) THE SERVICES OF THE DEBTORS' PRESENT OFFICERS, DIRECTORS, MANAGERS, AND ADVISORS IN FACILITATING THE EXPEDITIOUS IMPLEMENTATION OF THE RESTRUCTURING CONTEMPLATED HEREBY, EACH OF THE DEBTORS DISCHARGE AND RELEASE AND SHALL BE DEEMED TO HAVE PROVIDED A FULL DISCHARGE AND RELEASE TO EACH DEBTOR RELEASEE AND TO EACH THIRD PARTY RELEASEE (AND EACH SUCH DEBTOR RELEASEE AND THIRD PARTY RELEASEE SO RELEASED SHALL BE DEEMED FULLY RELEASED AND DISCHARGED BY THE DEBTORS) AND THEIR RESPECTIVE PROPERTY FROM ANY AND ALL CAUSES OF ACTION, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR NON-CONTINGENT, EXISTING AS OF THE EFFECTIVE DATE IN LAW, AT EQUITY, WHETHER FOR TORT, FRAUD, CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS OR OTHERWISE, ARISING FROM OR RELATED IN ANY WAY TO THE DEBTORS, INCLUDING THOSE THAT ANY OF THE DEBTORS OR THE REORGANIZED DEBTORS WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR THAT ANY HOLDER OF A CLAIM OR AN EQUITY INTEREST OR OTHER ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT ON BEHALF OF ANY OF THE DEBTORS OR ANY OF THEIR ESTATES; PROVIDED, FURTHER, THAT THE DEBTORS SPECIFICALLY WAIVE AND RELEASE ALL CLAIMS ARISING UNDER SECTION 547 OF THE BANKRUPTCY CODE AGAINST HOLDERS OF GENERAL UNSECURED CLAIMS; PROVIDED, HOWEVER, THAT THE FOREGOING "DEBTOR RELEASE" SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CAUSES OF ACTION OF ANY DEBTOR: (1) AGAINST A DEBTOR RELEASEE OR A THIRD PARTY RELEASEE (OTHER THAN THE REVOLVING CREDIT FACILITY AGENTS, THE REVOLVING CREDIT FACILITY LENDERS, THE TERM LOAN AGENTS, THE TERM LOAN LENDERS, THE DIP AGENTS, AND THE DIP LENDERS, EACH IN THEIR CAPACITIES AS SUCH) ARISING FROM ANY CONTRACTUAL OBLIGATIONS OWED TO THE DEBTORS; (2) ARISING UNDER THE HOLDCO LOAN AGREEMENT, THE EXIT FACILITY AGREEMENT, OR THE NEW TERM LOAN CREDIT AGREEMENT; OR (3) EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS. NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PLAN DOES NOT RELEASE ANY CAUSES OF ACTION THAT THE DEBTORS OR THE REORGANIZED DEBTORS HAVE OR MAY HAVE NOW OR IN THE FUTURE AGAINST THE NON-RELEASED PARTIES.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE DEBTOR RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE DEBTOR RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE DEBTOR RELEASEES AND THE THIRD PARTY RELEASEES; (2) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE DEBTOR RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTORS AND ALL HOLDERS OF CLAIMS; (4) FAIR, EQUITABLE AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY OF THE DEBTORS OR THE REORGANIZED DEBTORS ASSERTING ANY CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE DEBTOR RELEASE.

E. Third Party Release

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, ON THE EFFECTIVE DATE AND EFFECTIVE AS OF THE EFFECTIVE DATE, THE RELEASING PARTIES (REGARDLESS OF WHETHER A RELEASING PARTY IS A THIRD PARTY RELEASEE) SHALL PROVIDE A FULL DISCHARGE AND RELEASE (AND EACH ENTITY SO RELEASED SHALL BE DEEMED

RELEASED BY THE RELEASING PARTIES) TO THE THIRD PARTY RELEASEES AND THE DEBTOR RELEASEES AND THEIR RESPECTIVE PROPERTY FROM ANY AND ALL CAUSES OF ACTION, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, CONTINGENT OR NON-CONTINGENT, EXISTING AS OF THE EFFECTIVE DATE IN LAW, AT EQUITY, WHETHER FOR TORT, FRAUD, CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS OR OTHERWISE, ARISING FROM OR RELATED IN ANY WAY TO THE DEBTORS, INCLUDING THOSE IN ANY WAY RELATED TO THE CHAPTER 11 CASES OR THE PLAN; PROVIDED, HOWEVER, THAT THE FOREGOING "THIRD PARTY RELEASE" SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CAUSES OF ACTION OF ANY RELEASING PARTY: (1) AGAINST A DEBTOR RELEASEE OR A THIRD PARTY RELEASEE (OTHER THAN THE REVOLVING CREDIT FACILITY AGENTS, THE REVOLVING CREDIT FACILITY LENDERS, THE TERM LOAN AGENTS, THE TERM LOAN LENDERS, THE DIP AGENTS, AND THE DIP LENDERS, EACH IN THEIR CAPACITIES AS SUCH) ARISING FROM ANY CONTRACTUAL OBLIGATIONS OWED TO THE RELEASING PARTY; (2) ARISING UNDER THE HOLDCO LOAN AGREEMENT, THE EXIT FACILITY AGREEMENT, OR THE NEW TERM LOAN CREDIT AGREEMENT; OR (3) EXPRESSLY SET FORTH IN AND PRESERVED BY THE PLAN, THE PLAN SUPPLEMENT, OR RELATED DOCUMENTS. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE PLAN DOES NOT RELEASE ANY CLAIMS OR CAUSES OF ACTION THAT THE RELEASING PARTIES, THE DEBTORS OR THE REORGANIZED DEBTORS MAY HAVE NOW OR IN THE FUTURE AGAINST THE NON-RELEASED PARTIES.

ENTRY OF THE CONFIRMATION ORDER SHALL CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL, PURSUANT TO BANKRUPTCY RULE 9019, OF THE THIRD PARTY RELEASE, WHICH INCLUDES BY REFERENCE EACH OF THE RELATED PROVISIONS AND DEFINITIONS CONTAINED HEREIN, AND, FURTHER, SHALL CONSTITUTE THE BANKRUPTCY COURT'S FINDING THAT THE THIRD PARTY RELEASE IS: (1) IN EXCHANGE FOR THE GOOD AND VALUABLE CONSIDERATION PROVIDED BY THE DEBTOR RELEASEES AND THE THIRD PARTY RELEASEES; (2) A GOOD FAITH SETTLEMENT AND COMPROMISE OF THE CLAIMS RELEASED BY THE THIRD PARTY RELEASE; (3) IN THE BEST INTERESTS OF THE DEBTORS AND ALL HOLDERS OF CLAIMS; (4) FAIR, EQUITABLE AND REASONABLE; (5) GIVEN AND MADE AFTER DUE NOTICE AND OPPORTUNITY FOR HEARING; AND (6) A BAR TO ANY OF THE RELEASING PARTIES ASSERTING ANY CLAIM RELEASED PURSUANT TO THE THIRD PARTY RELEASE.

F. Exculpation

The Exculpated Parties shall neither have, nor incur any liability to any Entity for any prepetition or postpetition act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or effecting the Consummation of the Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Plan or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors; provided, however, that the foregoing "Exculpation" shall have no effect on the liability of any Entity that results from any such act or omission that is determined in a Final Order to have constituted gross negligence or willful misconduct; provided, further, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement.

G. Indemnification

On and from the Effective Date, and except as prohibited by applicable law, the Reorganized Debtors shall assume all indemnification obligations currently in place, whether in the bylaws, certificates of incorporation, board resolutions or employment contracts for the current and former directors, officers, managers, employees, attorneys, other professionals and agents of the Debtors and such current and former directors', officers', managers', and employees' respective Affiliates. Without limiting the foregoing and except as prohibited by applicable law, the Debtors shall indemnify and hold harmless, except as provided in the Plan Supplement, each of the Indemnified Parties for all costs, expenses, loss, damage or liability incurred by any such Indemnified Party arising from or related in any way to any and all Causes of Action whether known or unknown, whether for tort, fraud, contract,

violations of federal or state securities laws or otherwise, based in whole or in part upon any act or omission, transaction or other occurrence or circumstances existing or taking place prior to or on the Effective Date arising from or related in any way to the Debtors, including those arising from or related in any way to: (1) any action or omission of any such Indemnified Party with respect to any indebtedness of or any Equity Interest in the Debtors (including any action or omission of any such Indemnified Party with respect to the acquisition, holding, voting or disposition of any such investment); (2) any action or omission of any such Indemnified Party in such Indemnified Party's capacity as an officer, director, member, employee, partner or agent of, or advisor to any Debtor; (3) any disclosure made or not made by any Indemnified Party to any current or former Holder of any such indebtedness of or any such Equity Interest in the Debtors; (4) any consideration paid to any such Indemnified Party by any of the Debtors in respect of any services provided by any such Indemnified Party to any Debtor; and (5) any action taken or not taken in connection with the Chapter 11 Cases or the Plan. In the event that any such Indemnified Party becomes involved in any action, proceeding or investigation brought by or against any Indemnified Party, as a result of matters to which the foregoing "Indemnification" may relate, the Reorganized Debtors shall promptly reimburse any such Indemnified Party for its reasonable and documented legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith as such expenses are incurred and after a request for indemnification is made in writing, with reasonable documentation in support thereof, provided, however, that, notwithstanding anything herein to the contrary, the Debtors shall not indemnify any of the Non-Released Parties, whether for any matter to which this Article VIII.G pertains or otherwise.

H. Injunction

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES THAT: (1) HAVE BEEN DISCHARGED PURSUANT TO ARTICLE VIII.A HEREOF; (2) HAVE BEEN RELEASED PURSUANT TO ARTICLE VIII.D HEREOF; (3) HAVE BEEN RELEASED PURSUANT TO ARTICLE VIII.E HEREOF; OR (4) ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE VIII.F HEREOF (BUT ONLY TO THE EXTENT OF THE EXCULPATION PROVIDED IN ARTICLE VIII.F), ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED (INCLUDING HOLDCO) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED (INCLUDING HOLDCO) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (C) CREATING, PERFECTING OR ENFORCING ANY LIEN, CLAIM, OR ENCUMBRANCE OF ANY KIND AGAINST ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED (INCLUDING HOLDCO) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF, OR SUBROGATION OF ANY KIND AGAINST ANY OBLIGATION DUE FROM ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED (INCLUDING HOLDCO) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES UNLESS SUCH HOLDER HAS FILED A MOTION REQUESTING THE RIGHT TO PERFORM SUCH SETOFF ON OR BEFORE THE CONFIRMATION DATE, AND NOTWITHSTANDING ANY INDICATION IN A PROOF OF CLAIM OR INTEREST OR OTHERWISE THAT SUCH HOLDER ASSERTS, HAS OR DEFENDS TO PRESERVE ANY RIGHT OF SETOFF PURSUANT TO SECTION 541 OF THE BANKRUPTCY CODE OR OTHERWISE; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED (INCLUDING HOLDCO) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED, OR EXCULPATED) ON ACCOUNT OF OR IN

CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED, OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION, OR LIABILITIES RELEASED OR SETTLED PURSUANT TO THE PLAN.

I. Setoffs

Except as otherwise provided herein, 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 or Interest, may set off against any Allowed Claim (other than DIP Facility Claims and Term Loan Claims) or Interest and the distributions to be made pursuant to the Plan on account of such Allowed Claim or Interest (before any distribution is made on account of such Allowed Claim or Interest), any Claims, rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim or Interest, 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 or Interest 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.

J. Release of Liens

Except as otherwise provided herein 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, 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 Debtor and its successors and assigns.

ARTICLE IX.

ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

A. Professional Fee Escrow Account

On the Effective Date, the Reorganized Debtors shall fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust solely for the Professionals with respect to unpaid fees or expenses or for whom fees or expenses have been held back pursuant to the Interim Compensation Order. Such funds shall not property or be deemed property of the Reorganized Debtors. The Reorganized Debtors shall cause Accrued Professional Compensation to be paid in Cash to such Professionals from the Professional Fee Escrow Account when such Claims are Allowed by a Bankruptcy Court order; provided that the Debtors' or the Reorganized Debtors' liability for Accrued Professional Compensation shall not be limited nor be deemed to be limited to the funds available from the Professional Fee Escrow Account. When all Allowed Fee Claims have been paid in full, amounts remaining in the Professional Fee Escrow Account, if any, shall be paid to the Reorganized Debtors.

B. Professional Fee Reserve Amount

On or before the Effective Date, the Professionals shall estimate their Accrued Professional Compensation prior to and as of the Confirmation Date and shall deliver such estimate to the Debtors. If a Professional does not provide an estimate, the Reorganized Debtors may estimate the unpaid fees and expenses of such Professional. The total amount so estimated as of the Confirmation Date shall comprise the Professional Fee Reserve Amount; provided, however, that such estimate shall not be considered an admission or limitation with respect to the fees and expenses of such Professional.

C. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Confirmation 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 and Consummation of the Plan incurred by the Reorganized Debtors. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 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 for services rendered or expenses incurred after the Confirmation Date in the ordinary course of business without any further notice to any party or action, order, or approval of the Bankruptcy Court.

**ARTICLE X.
CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THE PLAN**

A. Conditions Precedent to Confirmation

It shall be a condition to Confirmation hereof that all provisions, terms and conditions hereof are approved or waived pursuant to the provisions of Article X.C.

B. Conditions Precedent to Consummation

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

1. The Confirmation Order shall be a Final Order in form and substance acceptable to (a) the Debtors; and (b) the Required Plan Modification Agents.

2. The Plan and Plan Supplement, including any amendments, modifications, or supplements thereto shall be acceptable to: (a) the Debtors; and (b) the Required Plan Modification Agents.

3. The Exit Facility, the New Term Loan Credit Agreement, and the HoldCo Loan Agreement shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof.

4. All actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.

C. Waiver of Conditions

The conditions to Confirmation of the Plan and to Consummation of the Plan set forth in this Article X may be waived only by consent of: (a) the Debtors; and (b) the Required Plan Modification Agents.

D. Effective Date

The Effective Date shall be the first Business Day upon which all of the conditions specified in Article X.B hereof have been satisfied or waived.

E. Effect of Non-Occurrence of Conditions to Consummation

If the Consummation of the Plan 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 or Claims against or Equity Interests in the Debtors; (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.

ARTICLE XI MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Except as otherwise specifically provided herein, the Debtors reserve the right to modify the Plan as to material terms and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan; ~~provided that~~ such modifications shall be subject to the consent of the Required Plan Modification Agents. 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, the Debtors expressly reserve their rights to alter, amend, or modify materially 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. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article XI.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan occurring after 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 the Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. 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 by 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.

ARTICLE XII 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 such jurisdiction over the Chapter 11 Cases and all matters, arising out of, or related to, the Chapter 11 Cases and the Plan 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

in any manner and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Rejection Claims, Cure Claims pursuant to section 365 of the Bankruptcy Code or any other matter related to such Executory Contract or Unexpired Lease; (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, 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 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 Causes of Action;
7. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
8. enter and implement such orders as may be necessary or appropriate 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, except as otherwise provided in the Confirmation Order;
9. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;
10. 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;
11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;
12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the discharge, releases, injunctions, exculpations, and other provisions contained in Article VIII and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
13. 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.H.1;
14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;
15. 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;
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, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

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

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

24. enter an order concluding or closing the Chapter 11 Cases.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article X.B 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 or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors or 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 shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first.

D. Dissolution of Committees

On the Effective Date, the Committees, if any, shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases.

E. 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. Neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken 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.

F. 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, manager, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

G. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

Source Interlink Companies, Inc.
Attn: Legal Department
27500 Riverview Center Boulevard, Suite 400
Bonita Springs, Florida 34134-4325

Kirkland & Ellis LLP
Attn: David L. Eaton and David A. Agay
300 North LaSalle Drive
Chicago, Illinois 60654-3406

After the Effective Date, the Debtors may, in their sole discretion, notify Entities that, in order to continue to receiving documents pursuant to Bankruptcy Rule 2002, such Entities 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.

H. 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.

I. 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.

J. 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 (a) the Debtors' consent and (b) the consent of the Required Plan Modification Agents; and (3) nonseverable and mutually dependent.

Dated: May 26, 2009

Source Interlink Companies, Inc. (for itself and all Debtors)

By: /s/ Douglas J. Bates
Name: Douglas J. Bates
Title: Chief Legal Officer, Senior Vice President and
Secretary of Source Interlink Companies, Inc

EXHIBIT B

Notice of Entry of the Confirmation Order

KAE 14589214.8

TRADEMARK
REEL: 004266 FRAME: 0250

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
SOURCE INTERLINK COMPANIES, INC., <u>et al.</u> , ¹)	Case No. 09-11424 (KG)
)	
Debtors.)	Jointly Administered

**NOTICE OF (I) ENTRY OF ORDER (A) APPROVING THE DEBTORS'
(1) DISCLOSURE STATEMENT PURSUANT TO SECTIONS 1125 AND 1126(b)
OF THE BANKRUPTCY CODE, (2) SOLICITATION OF VOTES AND VOTING
PROCEDURES AND (2) FORMS OF BALLOTS AND (B) CONFIRMING THE
DEBTORS' PREPACKAGED JOINT PLAN OF REORGANIZATION
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE
(WITH TECHNICAL AMENDMENTS) AND (II) EFFECTIVE DATE**

TO CREDITORS, EQUITY INTEREST HOLDERS AND OTHER PARTIES IN INTEREST:

PLEASE TAKE NOTICE that an order (the "Confirmation Order") of the Honorable Kevin Gross, United States Bankruptcy Judge, approving the disclosure statement, solicitation of votes and voting procedures and forms of ballots and confirming the above-captioned debtors' (collectively, the "Debtors") *Prepackaged Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code (with Technical Amendments)* (as amended and supplemented, the "Plan"), was entered by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") on May 28, 2009. Unless otherwise defined in this notice, capitalized terms used herein shall have the meanings ascribed to them in the Plan and the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that the Confirmation Order is available for inspection during regular business hours in the office of the Clerk of the Bankruptcy Court, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801. The Confirmation Order is also

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: Source Interlink Companies, Inc. (8299); AEC Direct, LLC (1003); Automotive.com, LLC (2610); Canoe & Kayak, Inc. (5510); Directou, Inc. (4741); Enthusiast Media Subscription Company, Inc. (1137); Motor Trend Auto Shows, LLC (5888); RDS Logistics, LLC (0305); Source-Chestnut Display Systems, Inc. (6446); Source Home Entertainment, Inc. (8517); Source Interlink Distribution, LLC (3387); Source Interlink International, Inc. (1428); Source Interlink Magazines, LLC (3601); Source Interlink Manufacturing, LLC (7123); Source Interlink Media, LLC (4935); Source Interlink Retail Services, LLC (6967); Source Mid Atlantic News, LLC (7108); The Interlink Companies, Inc. (2991). The location of the Debtors' corporate headquarters and the service address for all Debtors is: 27500 Riverview Center Boulevard, Suite 400, Bonita Springs, Florida 34134.

available on the web site of Kurtzman Carson Consultants, LLC, the Debtors' notice and claims agent, at <http://www.kccllc.net/sourceinterlink> or by accessing the Bankruptcy Court's web site <http://www.deb.uscourts.gov>. Please note that a PACER password and login are required to access documents on the Bankruptcy Court's web site.

PLEASE TAKE FURTHER NOTICE that the Effective Date of the Plan occurred on [____], 2009.

PLEASE TAKE FURTHER NOTICE that pursuant to Article V.I. of the Plan, any Creditor holding a Rejection Claim must File a Proof of Claim on account of such Claim, and such Proofs of Claim must be Filed with the Bankruptcy Court on or before the first Business Day that is 30 days after the latest of: (a) the date of entry of an order of the Bankruptcy Court approving the rejection of the relevant Executory Contract or Unexpired Lease; (b) the Effective Date; and (c) the effective date of rejection for the relevant Executory Contract or Unexpired Lease. All Rejection Claims for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, HoldCo, or the Reorganized Debtors, their Estates, and their property unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan or the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that pursuant to Article IV.V. of the Plan, any Creditor holding (a) a Priority Tax Claim or (b) a Claim that would otherwise be a Priority Tax Claim but for the fact that such Claim arose prior to the applicable statutory period set forth by section 507(a)(8) of the Bankruptcy Code must File a Proof of Claim on account of such Claim, and such Proof of Claim must be Filed with the Bankruptcy Court on or before the first Business Day that is 180 days after the Effective Date. All (a) Priority Tax Claims or (b) Claims that would otherwise be Priority Tax Claims but for the fact that such Claims arose prior to the applicable statutory period set forth by section 507(a)(8) of the Bankruptcy Code for which a Proof of Claim is not timely Filed will be forever barred from assertion against the Debtors, HoldCo, or the Reorganized Debtors, their Estates, and their property unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan or the Confirmation Order.

PLEASE TAKE FURTHER NOTICE that the Plan and its provisions are binding on the Debtors, the Reorganized Debtors, HoldCo any Holder of a Claim or Interest and such Holder's respective successors and assigns, whether or not the Claim or Interest of such Holder is Impaired under the Plan and whether or not such Holder or Entity voted to accept the Plan.

Wilmington, Delaware
Dated: _____, 2009

PACHULSKI STANG ZIEHL & JONES LLP

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- and -

KIRKLAND & ELLIS LLP

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Co-Counsel to the Debtors
and Debtors in Possession