RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (this “Agreement”) is made and entered into as of July 2, 2013, by and among: (i) Cengage Learning Acquisitions, Inc. (the “Company”), Cengage Learning Holdco, Inc., Cengage Learning Holdings II, L.P., and Cengage Learning, Inc. (together with the Company, the “Debtors”), (ii) the undersigned Credit Agreement Lenders (as defined below) (together with their permitted successors and assigns, each, a “Consenting Credit Agreement Lender”), and (iii) the undersigned First Lien Noteholders (as defined below) (together with their permitted successors and assigns, each, a “Consenting First Lien Noteholder,” and together with the Consenting Credit Agreement Lender, the “Consenting Lenders” or “Restructuring Support Parties”). Each of the Debtors, the Consenting Credit Agreement Lenders and the Consenting First Lien Noteholders shall be referred to as a “Party” and, collectively, as the “Parties.”

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the restructuring term sheet attached hereto as Exhibit A, which term sheet and all annexes thereto are expressly incorporated by reference herein and made a part of this Agreement as if fully set forth herein (as such term sheet, including all exhibits and annexes thereto, may be amended or modified in accordance with Section 6 hereof, the “Restructuring Term Sheet”).

RECITALS

WHEREAS, the Parties have engaged in arm’s length good faith discussions regarding a restructuring of the Debtors’ capital structure by any means (the “Restructuring”), including the Debtors’ indebtedness and obligations under (i) that certain Credit Agreement, dated as of July 5, 2007, as subsequently amended by the Incremental Amendment, dated as of May 30, 2008 and the Amendment Agreement, dated as of April 10, 2012, and as further amended, modified, waived, or supplemented through the date hereof (as amended, the “First Lien Credit Facility”), by and among certain of the Debtors, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent for the First Lien Credit Facility (the “Credit Agreement Agent”), and the various lenders from time to time party thereto (collectively with the holders of economic interests or economic rights relating to the loans issued under the First Lien Credit Facility, the “Credit Agreement Lenders”); and (ii) that certain Indenture, dated as of April 10, 2012, providing for the issuance of 11.5% Senior Secured Notes due 2020 (as further amended, modified, waived, or supplemented through the date hereof, the “First Lien Indenture,” such notes issued under such First Lien Indenture, the “First Lien Notes,” and such holders of such First Lien Notes, the “First Lien Noteholders”), by and among certain of the Debtors and The Bank of New York Mellon, as trustee and collateral agent for the First Lien Indenture (the “First Lien Notes Agent” and together with the Credit Agreement Agent, the “First Lien Agents”);

WHEREAS, each Party desires that the Restructuring be implemented through a joint chapter 11 plan of reorganization for the Debtors on the terms and conditions set forth in the Restructuring Term Sheet, consistent with this Agreement (the “Agreed Restructuring Plan”), and in form and substance acceptable to the Required Consenting Lenders (as defined below) hereto;
WHEREAS, to effectuate the Restructuring, the Debtors propose to commence voluntary reorganization cases (collectively, the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of New York (the “Bankruptcy Court”). In connection with the Chapter 11 Cases, the Debtors intend to file a disclosure statement (as may be amended from time to time, the “Disclosure Statement”) and related Agreed Restructuring Plan;

WHEREAS, as set forth herein and consistent with the terms and conditions set forth in the Restructuring Term Sheet, the Debtors have agreed to use commercially reasonable efforts to obtain a new first out revolving credit facility in connection with the Agreed Restructuring Plan and emergence of the Debtors from Chapter 11 Cases (the “New Revolving Credit Facility”), in form and substance reasonably satisfactory to the Debtors and the Required Consenting Lenders;

WHEREAS, as set forth herein and in the Restructuring Term Sheet, the Consenting Lenders have agreed, to the extent that replacement financing has not been obtained on the terms set forth in this Agreement, that the holders of the First Lien Claims shall receive their pro rata share of a new first lien term loan (the “Rollover Facility”), on the terms and conditions set forth on Exhibit B hereto (the “Rollover Facility Term Sheet”); provided that, to the extent that replacement financing on a new first lien term loan facility is available to the Debtors on commercially reasonable terms (the “New Term Loan Facility”), the Debtors have agreed to seek a New Term Loan Facility, subject to the limitations and consent rights set forth herein;

WHEREAS, the Debtors, the Consenting Lenders and the Credit Agreement Agent have agreed to the terms of a consensual form of interim and final order (the “Cash Collateral Order”), in form and substance acceptable to the Consenting Lenders and the Credit Agreement Agent, regarding the Debtors’ postpetition use of the cash collateral (as such term is defined in section 363 of the Bankruptcy Code) of the holders of First Lien Claims (the “Cash Collateral”), pursuant to that certain form of cash collateral order attached hereto as Exhibit C (the “Form Cash Collateral Order”);

WHEREAS, each Party has agreed to the terms of certain governance documentation, including a shareholders’ agreement and a registration rights agreement, on substantially the terms set forth in the equity term sheet attached hereto as Exhibit D (the “Equity Term Sheet” and together with the Agreed Restructuring Plan, Disclosure Statement, Restructuring Term Sheet, the Form Cash Collateral Order, the Equity Term Sheet and Rollover Facility Term Sheet, the “Restructuring Documents and Term Sheets”);

WHEREAS, subject to the execution of definitive documentation and appropriate approvals by the Bankruptcy Court, the following sets forth the agreement among the Parties concerning their respective obligations; and

WHEREAS, each Party has reviewed or has had the opportunity to review the Restructuring Documents and Term Sheets and each Party has agreed to the terms of the Restructuring on the terms set forth in the Restructuring Documents and Term Sheets.
NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Party, intending to be legally bound hereby, agrees as follows:

AGREEMENT

Section 1. Agreement Effective Date; Conditions to Effectiveness.

This Agreement shall become effective and binding upon each of the Parties immediately following the occurrence of the following conditions (the “Effective Date”):

a. Counsel to the Restructuring Support Parties shall have received duly executed signature pages for this Agreement signed by each of the Debtors;

b. The Debtors shall have received duly executed signature pages for this Agreement from the Restructuring Support Parties; and

c. The Debtors, the Consenting Lenders and the Credit Agreement Agent shall have agreed on the Form Cash Collateral Order, which shall be in form and substance acceptable to the Consenting Lenders and the Credit Agreement Agent.

Upon the Effective Date, the Restructuring Documents and Term Sheets shall be deemed effective for the purposes of this Agreement, and thereafter the terms and conditions therein may only be amended, modified, waived, or otherwise supplemented as set forth in Section 6 herein.

Section 2. Restructuring Documents and Term Sheets.

The Restructuring Documents and Term Sheets are expressly incorporated herein and are made part of this Agreement. The general terms and conditions of the Restructuring are set forth in the Restructuring Documents and Term Sheets; however, the Restructuring Documents and Term Sheets are supplemented by the terms and conditions of this Agreement. In the event of any inconsistencies between the terms of this Agreement and the Restructuring Documents and Term Sheets, the conflicting term of this Agreement shall control and govern.

Section 3. Commitments Regarding the Restructuring Transactions.

3.01. Agreement to Support. Subject to the terms and conditions hereof and for so long as this Agreement has not been terminated in accordance with the terms hereof, each of the Parties, as applicable, agrees to comply with the following covenants:

(a) Consummation of the Transaction.

(i) Each of the Parties hereby covenants and agrees to support consummation of the Restructuring, including the solicitation, confirmation, and consummation of the Agreed Restructuring Plan, as may be applicable, pursuant to the terms set forth in this Agreement and the Restructuring Documents and Term Sheets;
(ii) The Debtors hereby covenant and agree to use commercially reasonable efforts to obtain the New Revolving Credit Facility in connection with the emergence of the Debtors from the Chapter 11 Cases, in form and substance reasonably satisfactory to the Required Consenting Lenders;

(iii) To the extent that a New Term Loan Facility is available on commercially reasonable terms in connection with the emergence of the Debtors from the Chapter 11 Cases, the Debtors hereby covenant and agree to obtain the New Term Loan Facility, in form and substance satisfactory to the Required Consenting Lenders (which approval will not be unreasonably withheld), in the amount of approximately $1,500,000,000; provided that, so long as the pro forma annual interest expense of such New Term Loan Facility is no more than $150,000,000, the reorganized Debtors shall be permitted to increase the principal amount of the New Term Loan Facility to up to $1,750,000,000; and in each case, shall distribute cash in the amount of all of the initial principal amount of the New Term Loan Facility pro rata to holders of allowed First Lien Claims as partial satisfaction of their respective allowed First Lien Claims;

(iv) To the extent that a New Term Loan Facility is not available or approved pursuant to Section 3.01(a)(ii) above, the Consenting Lenders agree that the holders of the First Lien Claims shall receive their respective portion of the Rollover Facility (proportionately) in accordance with the terms set forth in the Rollover Facility Term Sheet, and otherwise on such terms and conditions and in form and substance acceptable to the Required Consenting Lenders and the Debtors;

(v) Each of the Parties hereby covenants and agrees not to, in its capacity as a Party, or in any other capacity, in any material respect, (A) object to, delay, impede, or take any other action to interfere with the Restructuring, or (B) propose, file, support, or vote (or to cause any of the foregoing to occur) for any restructuring, workout, or chapter 11 plan for the Debtors other than the Agreed Restructuring Plan;

(vi) So long as its vote has been properly solicited pursuant to sections 1125 and 1126 of the Bankruptcy Code, including receipt of a Bankruptcy Court approved Disclosure Statement, each Consenting Lender hereby covenants and agrees to (i) vote or cause to be voted all principal amount of the outstanding obligations under the First Lien Credit Facility (the “Credit Agreement Lender Claims”) and all principal amount of the outstanding obligations under the First Lien Indenture (the “First Lien Noteholder Claims” and together with the Credit Agreement Lender Claims, including such claims in respect of any L/C Obligations (as defined in the First Lien Credit Agreement) and obligations under the Secured Hedge Agreement(s) (as defined in the First Lien Credit Facility), the “First Lien Claims”) that it holds, controls or has the ability to control to accept the Agreed Restructuring Plan by delivering its duly executed and timely completed ballot or ballots accepting the Agreed Restructuring Plan following commencement of the solicitation of acceptances of the Agreed Restructuring Plan.
Plan in accordance with sections 1125 and 1126 of the Bankruptcy Code and (ii) not change or withdraw such vote (or cause or direct such vote to be changed or withdrawn); provided, however, that such vote shall be immediately revoked and deemed void ab initio upon termination of this Agreement pursuant to the terms hereof;

(vii) Each of the Consenting Lenders hereby covenants and agrees not to object to, vote or cause to be voted any of its First Lien Claims or other claims under its control to reject, the Agreed Restructuring Plan, or otherwise commence any proceeding to oppose the Agreed Restructuring Plan, the Disclosure Statement, or any other pleadings or reorganization documents filed by any of the Debtors in connection with the Agreed Restructuring Plan;

(viii) Each of the Parties hereby covenants and agrees to not object, on any grounds, to the terms, conditions, nature or amount set forth in the Cash Collateral Order, except to the extent that such terms are not in form and substance acceptable to the Consenting Lenders;

(ix) Each of the Parties hereby covenants and agrees to not object, on any grounds, to the terms, conditions, nature or amount of the Rollover Facility or the New Term Loan Facility, as the case may be, except to the extent that such terms are not set forth herein or in an exhibit hereto and are not otherwise in form and substance acceptable to the Required Consenting Lenders; and

(x) Each of the Restructuring Support Parties hereby covenants and agrees to not directly or indirectly (i) seek, solicit, support, encourage, or vote its First Lien Claims for, consent to, or encourage any plan of reorganization, proposal, offer, dissolution, winding up, liquidation, reorganization, merger, consolidation, business combination, joint venture, partnership, sale of assets, or restructing for any of the Debtors other than the Agreed Restructuring Plan and the New Term Loan Facility, or the Rollover Facility, as the case may be, (ii) seek, solicit, support or encourage post-petition financing, or (iii) take any other action that is inconsistent with, or that would delay or obstruct the proposal, solicitation, confirmation, or consummation of the Agreed Restructuring Plan.

provided, however, that, except as otherwise expressly set forth in this Agreement, the foregoing provisions of this Section 3.01(a) will not (a) prohibit instruction to the Credit Agreement Agent to take or not to take any action relating to the maintenance, protection and preservation of the collateral under the First Lien Credit Facility; (b) prohibit the Credit Agreement Agent from taking any action relating to the maintenance, protection and preservation of the collateral under the First Lien Credit Facility; (c) prohibit the Credit Agreement Agent or the Consenting Lenders from objecting to any motion or pleading filed with the Bankruptcy Court seeking approval to use Cash Collateral (other than any motion or pleading filed in respect of the consensual Cash Collateral use arrangement described in the Cash Collateral Order); (d) limit the rights of the Parties under the applicable credit agreement or loan document, including the First Lien Credit Facility, First Lien Indenture, and/or applicable law to appear and participate as a party in
interest in any matter to be adjudicated in any case under the Bankruptcy Code (or otherwise) concerning the Debtors, so long as such appearance and the positions advocated in connection therewith are not inconsistent with this Agreement or the terms of the proposed Restructuring and do not hinder, delay or prevent consummation of the proposed Restructuring or (e) prohibit the Credit Agreement Agent or any Consenting Lender from appearing in proceedings for the purpose of contesting whether any matter or fact is or results in a breach of, or is inconsistent with, this Agreement (so long as such appearance is not for the purpose of hindering or intending to hinder, the Restructuring) or bringing any motion for the appointment of an examiner for limited purposes; provided, further that the Debtors hereby reserve their rights to oppose such relief; provided, further that except as expressly provided herein, this Agreement and all communications and negotiations among the Parties with respect hereto or any of the transactions contemplated hereunder are without waiver or prejudice to the Parties’ rights and remedies and the Parties hereby reserve all claims, defenses and positions that they may have with respect to each other; provided, further, that nothing in this Agreement shall be deemed to limit or restrict any action by any Party to enforce any right, remedy, condition, consent, or approval requirement under the Definitive Documents (as defined below).

Notwithstanding the foregoing, nothing in this Agreement shall prevent any of the Debtors from taking or failing to take any action that it is obligated to take (or fail to take) in the performance of any fiduciary duty or as otherwise required by applicable law which such Debtor owes to any other person or entity under applicable law, provided, that it is agreed that any such action that results in a Termination Event hereunder shall be subject to the provisions set forth in Section 5 hereto. Each of the Debtors represent to the Restructuring Support Parties that as of the Effective Date, based on the facts and circumstances actually known by the Debtors as of the Effective Date, the Debtors’ entry into this Agreement is consistent with each of the Debtors’ fiduciary duties.

(b) Definitive Documents. Each Party hereby covenants and agrees to (x) negotiate in good faith each of the documents implementing, achieving and relating to the Restructuring, including without limitation, all definitive documents necessary for the Agreed Restructuring Plan, including without limitation, (A) all first-day motions, including those relating to, and applications, payment of general unsecured claims in the ordinary course, payment of utilities, payment of critical vendors, payments under customer programs, payment of wages to employees, payment to maintain insurance obligations, and of maintenance of the existing cash management system (collectively, the “First Day Motions”), (B) the Agreed Restructuring Plan, (C) the Disclosure Statement, ballots, and other solicitation materials in respect of the Agreed Restructuring Plan (collectively, the “Plan Solicitation Materials”), (D) the motion to approve the Disclosure Statement and seeking confirmation of the Agreed Restructuring Plan, (E) the proposed order approving the Plan Solicitation Materials and confirming the Agreed Restructuring Plan (the “Confirmation Order”), and (F) the plan supplement (the “Plan Supplement”), which may include the shareholders’ agreement, the registration rights agreement, the credit agreements for the New Revolving Credit Facility, the Rollover Facility or the New Term Loan Facility, and all other post-effective date financing documents (including commitment letters), new or amended charter and by-laws, identity of new
board members and officers, and terms of the post-reorganization corporate structure and any annexes, exhibits, schedules, amendments, supplements or modifications and related documents with respect to any of the foregoing ((A) through (F), collectively, the “Definitive Documents”), which documents shall contain terms and conditions consistent in all respects with the Restructuring Documents and Term Sheets and be on terms acceptable to the Consenting Lenders holding, controlling or having the ability to control more than 66-⅔% of the aggregate amount of First Lien Claims directly or indirectly held, controlled or having the ability to be controlled by the Consenting Lenders (the “Required Consenting Lenders”), and (y) execute (to the extent such Party is a party thereto) and otherwise support the Definitive Documents.

(c) Fees. The Debtors shall pay, when due and payable, all outstanding prepetition and all postpetition (a) reasonable and documented fees and expenses incurred by that certain ad hoc group of Credit Agreement Lenders and First Lien Noteholders (the “First Lien Group”), including, without limitation, the reasonable and documented fees and expenses incurred by Milbank Tweed, Hadley & McCloy LLP, as counsel to the First Lien Group, and Houlihan Lokey Capital, Inc., as financial advisors to the First Lien Group, (b) reasonable and documented fees and expenses incurred by counsel to the Credit Agreement Agent, Davis Polk & Wardwell LLP, and the financial advisor to the Credit Agreement Agent, Blackstone Advisory Partners, L.P., and (c) reasonable and documented fees and expenses incurred by Katten Muchin Rosenman LLP, counsel to the First Lien Notes Agent.

(d) Investment Manager Limitation. The obligations of any Consenting Lender in this Agreement are limited to, in the case of investment advisors, the First Lien Claims controlled by such investment manager in the funds or accounts it manages.

3.02. Obligations of the Debtors. Each Debtor hereby covenants and agrees to:

(a) subject to entry into appropriate confidentiality agreements with the Debtors, permit and facilitate any and all due diligence necessary to consummate the Restructuring, including, but not limited to, (i) cooperating fully with the Restructuring Support Parties, and causing its officers, directors, employees, and advisors to cooperate fully, in furnishing information as and when reasonably requested by any Restructuring Support Party, including with respect to the Debtors’ financial affairs, finances, financial condition, business and operations, (ii) authorizing the Restructuring Support Parties to meet and/or have discussions with any of its officers, directors, employees and advisors from time to time as reasonably requested by any Restructuring Support Party to discuss any matters regarding the Debtors’ financial affairs, finances, financial condition, business and operations, and (iii) directing and authorizing all such persons and entities to fully disclose to the Restructuring Support Party, all information requested by such Restructuring Support Party regarding the foregoing;

(b) file the Agreed Restructuring Plan, the Disclosure Statement, the Plan Solicitation Materials, and the motion to approve the Disclosure Statement, on or before 45 days following the date the Debtors commence the Chapter 11 Cases (the “Petition Date”);

(c) (i) obtain entry of the Confirmation Order, in form and substance acceptable to the Required Consenting Lenders, with all exhibits, appendices, plan supplement documents, and related documents; provided that such order has not been vacated, stayed or
reversed ("Stayed") and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of the Confirmation Order, or has otherwise been dismissed with prejudice, and (ii) cause the effective date of the Agreed Restructuring Plan (the “Plan Effective Date”) to occur within 135 days of the Petition Date;

(d) to the extent practicable, endeavor to distribute draft copies of all motions, applications, proposed orders, pleadings and other related documents the Debtors intend to file with the Bankruptcy Court to counsel to the Consenting Lenders and the First Lien Agents at least three days prior to the date when the Debtors intend to file such document, provided that with respect to any such document relating to a Definitive Document, such document shall be provided on no less than five days’ notice, and prior to any such filing shall, to the extent practicable, endeavor to consult in good faith with such counsel regarding the form and substance of any such proposed filing;

(e) operate its business in the ordinary course, including, but not limited to, maintaining its accounting methods, using its commercially reasonable efforts to preserve the assets and its business relationships, continuing to operate its billing and collection procedures, using its commercially reasonable efforts to retain key employees, and maintaining its business records in accordance with its past practices;

(f) timely file a formal objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order (i) directing the appointment of an examiner with expanded powers to operate the Debtors’ businesses pursuant to section 1104 of the Bankruptcy Code or a trustee, (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (iii) dismissing the Chapter 11 Cases; provided that, for the avoidance of doubt, nothing in this Agreement shall prohibit or restrict the rights of the Consenting Lenders to seek an order for the appointment of an examiner for limited purposes; provided further, that the Debtors hereby reserve their rights to oppose such relief;

(g) timely file a formal objection to any motion filed with the Bankruptcy Court by a third party seeking the entry of an order modifying or terminating the Debtors’ exclusive right to file and/or solicit acceptances of a plan of reorganization;

(h) if the Debtors know or should know of a breach by such Debtor in any respect of any of the obligations, representations, warranties, or covenants of the Debtors set forth in this Agreement, furnish prompt written notice (and in any event within [3] business days of such actual knowledge) to the Restructuring Support Parties; and

(i) that the Debtors shall not amend or restate the employment agreements for any member of its management prior to the consummation of the Restructuring without the prior written consent of the Required Consenting Lenders.
3.03. Voting; Forbearance. Subject to Section 3.01(d) hereof, as long as this Agreement has not been terminated in accordance with the terms hereof, each of the Restructuring Support Parties covenants and agrees, subject to the receipt by such Restructuring Support Party of the Plan Solicitation Materials, to (i) vote or cause to be voted its First Lien Claims (inclusive of any Claim acquired pursuant to Section 3.04 hereof; provided, however, that as used herein, “Claims” shall not include any claim held in a fiduciary capacity or held by any other distinct business unit of such Party (other than the business unit or division expressly identified on the signature pages hereto), unless such business unit is or becomes a party to this Agreement) to accept the Agreed Restructuring Plan by delivering or causing to be delivered the duly executed and completed ballots accepting the Agreed Restructuring Plan on a timely basis following the commencement of the solicitation and its actual receipt of the Plan Solicitation Materials and ballot, and (ii) not change or withdraw (or cause to be changed or withdrawn) such votes.

3.04. Transfer of Interests and Securities.

(a) Except as expressly provided herein, this Agreement shall not in any way restrict the right or ability of any Restructuring Support Party to sell, use, assign, transfer, or otherwise dispose of (“Transfer”) any of the First Lien Claims; provided, however, that for the period commencing as of the date such Restructuring Support Party executes this Agreement until termination of this Agreement pursuant to the terms hereof, no Restructuring Support Party shall Transfer any rights with respect to the First Lien Claims and any purported Transfer of any rights with respect to the First Lien Claims shall be void and without effect, unless (a) the transferee is a Restructuring Support Party or (b) if the transferee is not a Restructuring Support Party, at or prior to closing of the Transfer, such transferee delivers to the Company, at or prior to the time of the proposed Transfer, an executed copy of a transfer agreement in the form of Exhibit E attached hereto pursuant to which such transferee shall assume all obligations of the Restructuring Support Party transferor hereunder in respect of the rights with respect to the First Lien Claims being transferred (such transferee, if any, to also be a Restructuring Support Party hereunder). For the avoidance of doubt, all First Lien Claims held or controlled by any Restructuring Support Party, regardless of whether acquired before or after the date of this Agreement shall be subject to, and shall be treated in accordance with, the terms of this Agreement. Any Transfer that does not comply with the foregoing shall be deemed void ab initio. This Agreement shall in no way be construed to preclude the Restructuring Support Parties from acquiring additional First Lien Claims or rights with respect to any additional First Lien Claims so long as such additional First Lien Claims are treated in accordance with the terms of this Agreement.

(b) Notwithstanding the foregoing Section 3.04(a), (i) any Restructuring Support Party may transfer (by purchase, sale, assignment, participation or otherwise) any right, title or interest in such First Lien Claims against the Debtors to an entity that is acting in its capacity as a Qualified Marketmaker (as defined below) without the requirement that the Qualified Marketmaker be or become an RSA Party (as defined below), provided that the Qualified Marketmaker subsequently transfers (by purchase, sale, assignment, participation or otherwise) the right, title or interest in such First Lien Claims against the Debtors to a transferee that is or becomes an RSA Party, and (ii) to the extent that a Restructuring Support Party is acting in its capacity as a Qualified Marketmaker, it may transfer (by purchase, sale, assignment, participation or otherwise) any right, title or interest in such First Lien Claims against the Debtors to an entity that is acting in its capacity as a Qualified Marketmaker; provided, however, that as used herein, “Claims” shall not include any claim held in a fiduciary capacity or held by any other distinct business unit of such Party (other than the business unit or division expressly identified on the signature pages hereto), unless such business unit is or becomes a party to this Agreement).
Debtors that the Qualified Marketmaker acquires from a holder of the First Lien Claims who is not an RSA Party without the requirement that the transferee be or become an RSA Party.

(c) For these purposes, a “Qualified Marketmaker” means an entity that (x) holds itself out to the market as standing ready in the ordinary course of its business to purchase from customers and sell to customers claims against the Debtors (including debt securities or other debt) or enter with customers into long and short positions in claims against the Debtors (including debt securities or other debt), in its capacity as a dealer or market maker in such claims against the Debtors, and (y) is in fact regularly in the business of making a market in claims against issuers or borrowers (including debt securities or other debt); and an “RSA Party” means an entity that is a party to this Agreement or executes a transfer agreement in the form of Exhibit E attached hereto with respect to the transferred right, title or interest in such First Lien Claims.

Section 4. Representations and Warranties.

4.01. Representations of the Debtors. Notwithstanding any other provision herein or any subsequent termination of this Agreement, the Debtors hereby irrevocably acknowledge, confirm and agree that as of the date hereof:

(a) that entering into this Agreement and the consummation of the transactions contemplated hereby (including the receipt by the Credit Agreement Lenders and the First Lien Noteholders of all or substantially all of the equity in the reorganized Company), will not (i) conflict with or result in a violation or breach of, (ii) constitute (with or without notice or lapse of time or both) a default under, (iii) require any Debtor or any of its subsidiaries to obtain any consent, approval or action of, make any filing with or give any notice to any person as a result or under the terms of, (iv) result in or give to any person any right of termination, cancellation, acceleration or modification in or with respect to, (v) result in or give to any person any additional rights or entitlement to increased, additional, accelerated or guaranteed payments under, or (vi) result in the creation or imposition of any lien upon the Debtors or any of its subsidiaries or any of their respective assets and properties under, any material contract or license to which any Debtor or any subsidiary is a party or by which any of their respective assets and properties is bound.

4.02. Mutual Representations and Warranties. Subject to Section 3.01(d) hereof, each of the Parties, severally and not jointly, represents, warrants, and covenants to each other Party, as of the date of this Agreement, as follows (each of which is a continuing representation, warranty, and covenant):

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

(b) Except as expressly provided in this Agreement, it has all requisite direct or indirect power and authority to enter into this Agreement and to carry out the Restructuring contemplated by, and perform its respective obligations under, this Agreement;
(c) The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part and no consent, approval or action of, filing with or notice to any governmental or regulatory authority is required in connection with the execution, delivery and performance of this Agreement; and

(d) It has been represented by legal counsel of its choosing in connection with this Agreement and the transactions contemplated by this Agreement, has had the opportunity to review this Agreement with its legal counsel and has not relied on any statements made by any other Party or its legal counsel as to the meaning of any term or condition contained herein or in deciding whether to enter into this Agreement or the transactions contemplated hereof.

4.03. Representations of Consenting Lenders. Subject to Section 3.01(d) hereof, each of the Consenting Lenders, severally and not jointly, represents and warrants that, as of the date such Consenting Lender executes and delivers this Agreement:

(a) it is the sole beneficial owner of the face amount of the First Lien Claims, or is the nominee, investment manager, advisor for the beneficial holders or otherwise has the ability to vote or cause to be voted the First Lien Claims, as reflected in such Consenting Lender’s signature block to this Agreement, which amount the Debtors and each Consenting Lender understands and acknowledges is proprietary and confidential to such Consenting Lender; and

(b) has the direct or indirect authority to act on behalf of, cause to be voted or vote and consent to matters concerning the First Lien Claims and to dispose of, exchange, assign and transfer such rights with respect to the First Lien Claims.

Section 5. Termination Events.

5.01. Lender Termination Events. This Agreement shall be automatically terminated as to all Parties upon the occurrence and continuation of any of the following events (each, a “Lender Termination Event”), unless the Required Consenting Lenders waive such Lender Termination Event in writing within three days of the occurrence of such Lender Termination Event:

(a) Lender Termination Events:

(i) The failure of the Debtors to comply with Section 3.02(b) or Section 3.02(c) hereof; or

(ii) the termination of the use of Cash Collateral as described in the Cash Collateral Order;

(iii) the breach in any respect by the Debtors of (or failure to satisfy) any of the obligations, representations, warranties, or covenants of such Party set forth in this Agreement (including, without limitation, in Section 3.02 hereof);

(iv) the Debtors file any motion, pleading, or related document with the Bankruptcy Court, with each of the foregoing in a manner that is inconsistent in
any respect with this Agreement or the Restructuring Documents and Term Sheets, and such motion, pleading, or related document has not been withdrawn after three days of the Debtors receiving written notice in accordance with Section 8.10 hereof from the Required Consenting Lenders that such motion or pleading violates this Section 5.01(a)(iv);

(v) subject to Section 5.01(d) below, the Bankruptcy Court enters an order approving debtor-in-possession financing or exit financing (unless described herein or otherwise agreed to by the Credit Agreement Agent and the Required Consenting Lenders);

(vi) any of the Definitive Documents or any order entered by the Bankruptcy Court related thereto shall have been modified, abrogated, terminated, or otherwise are not in full force and effect, in each case without the consent of the Required Consenting Lenders;

(vii) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of the Restructuring in a way that cannot be reasonably remedied by the Debtors in a manner that is satisfactory to the Credit Agreement Agent and the Required Consenting Lenders;

(viii) the Bankruptcy Court enters an order (i) directing the appointment of an examiner with expanded powers to operate the Debtors’ businesses pursuant to section 1104 of the Bankruptcy Code or a trustee in any of the Chapter 11 Cases, (ii) converting any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, or (iii) dismissing any of the Chapter 11 Cases;

(ix) the Bankruptcy Court enters an order terminating the Debtors’ exclusive right to file a plan of reorganization pursuant to section 1121 of the Bankruptcy Code;

(x) if the Debtors exercise their “fiduciary out” as a debtor-in-possession as provided for in Section 3.01 of this Agreement;

(xi) a condition precedent to funding under the New Revolving Credit Facility shall not have been satisfied;

(xii) to the extent that the New Term Loan Facility is obtained consistent herewith, a condition precedent to funding under the New Term Loan Facility shall not have been satisfied; and

(xiii) to the extent that the New Term Loan Facility is not obtained consistent herewith, the Rollover Facility shall not have been made available to the reorganized Debtors on the terms described herein;

(b) Lender Termination Event Resulting in Automatic Termination: Notwithstanding anything to the contrary herein, if the Restructuring, as contemplated pursuant
to this Agreement does not occur on or prior to 135 days after the Petition Date, any Consenting Lender may terminate its obligations under this Agreement after providing written notice to the Parties in accordance with Section 8.10 hereof.

(c) **No Violation of Automatic Stay.** The Required Consenting Lenders and the First Lien Agents on behalf of the Consenting Lenders are authorized to take any steps necessary to effectuate the termination of this Agreement, as applicable, including the sending of any applicable notices to the Company, notwithstanding section 362 of the Bankruptcy Code or any other applicable law and provide that no cure period contained in this Agreement or the Cash Collateral Order shall be extended pursuant to sections 108 or 365 of the Bankruptcy Code or any other applicable law without the prior written consent of the Credit Agreement Agent and the Required Consenting Lenders.

(d) A Lender Termination Event shall not occur if the Debtors pursue or the Bankruptcy Court approves exit financing on terms materially better than the New Revolving Credit Facility or the New Term Loan Facility (or the Rollover Facility, as the case may be), as determined by the Required Consenting Lenders.

5.02. **Debtors Termination Events.** The Debtors may terminate their obligations and liabilities under this Agreement upon three (3) business days prior written notice delivered in accordance with Section 8.10 hereof, upon the occurrence of any of the following events (each, a “Company Termination Event” and together with the Lender Termination Events, the “Termination Events”) (a) the material breach by any of the Restructuring Support Parties (other than the Debtors) of any of the representations, warranties, or covenants of such Parties set forth in this Agreement that would have a material adverse impact on the consummation of the Restructuring (taken as a whole) that remains uncured for a period of five business days after the receipt by the breaching Parties of written notice of such breach from the Debtors, (b) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final, non-appealable ruling or order that would have a material adverse impact on the consummation of the Restructuring (taken as a whole), or (c) following the Debtors determining that proceeding with the transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties.

Notwithstanding any provision in this Agreement to the contrary, no party shall terminate this Agreement if such party (in any capacity that is Party to this Agreement) is in breach of any provision hereof; provided that the Debtors may terminate under section 5.02(c) notwithstanding any existing breach by the Debtors.

5.03. **Mutual Termination.** This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual written agreement among (a) the Debtors, (b) the Consenting Credit Agreement Lenders and (c) the Consenting First Lien Noteholders.

5.04. **Individual Lender Termination.** In the event of a material breach or material violation of Section 6 hereof, a Consenting Lender adversely impacted by such material breach or material violation may terminate its rights and obligations under this Agreement without effecting the obligations of the other Parties hereto by providing notice of the same in accordance with Section 8.10 hereof.
5.05. **Effect of Termination.** Upon termination of this Agreement with respect to an individual Consenting Lender pursuant to Section 5.01(b) or 5.04, this Agreement shall terminate solely with respect to the applicable and remain valid and binding on all non-terminating Parties. Upon termination of this Agreement under Section 5.01(a) or 5.02, (i) this Agreement shall be of no further force and effect and each Party hereto shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement, and (ii) any and all consents tendered by the Restructuring Support Parties prior to such termination shall be deemed, for all purposes, to be null and void **ab initio**, shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring and this Agreement or otherwise and such consents may be changed or resubmitted regardless of whether the applicable voting deadline has passed (without the need to seek a court order or consent from the Debtors allowing such change or resubmission). Upon termination of this Agreement under Section 5.04, this Agreement shall be of no further force and effect as to the individual Consenting Lender terminating its obligations hereunder and such Consenting Lender shall be released from its commitments, undertakings, and agreements under or related to this Agreement and shall have the rights and remedies that it would have had it not entered into this Agreement, and shall be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement. Notwithstanding the foregoing, other than in the case of mutual termination under Section 5.03, any claim for breach of this Agreement that accrued prior to the date of a Party’s termination or termination of this Agreement (as the case may be) and all rights and remedies of the Parties hereto shall not be prejudiced as a result of termination.

5.06. **Termination Upon Consummation of the Restructuring.** This Agreement shall terminate automatically without any further required action or notice on, as applicable, the Plan Effective Date of the Agreed Restructuring Plan.

**Section 6. Amendments.**

Except as otherwise provided herein, this Agreement, the Restructuring Documents and Term Sheets or any annexes thereto may not be modified, amended, or supplemented without prior written agreement signed by (a) each of the Debtors, and (b) the Required Consenting Lenders; provided, however, that notwithstanding anything to the contrary herein, any modification, amendment or supplement to this Agreement, the Restructuring Documents and Term Sheets, any Definitive Documents, or any other agreement contemplated as part of this Restructuring that alters any of the economic terms set forth herein or in the Restructuring Documents and Term Sheets, or any of the annexes thereto in any manner adverse to a Restructuring Support Party (in such party’s reasonable discretion), shall require the consent of such Restructuring Support Party.

**Section 7. No Solicitation.**

Notwithstanding anything to the contrary, this Agreement is not and shall not be deemed to be (a) a solicitation of consents to the Agreed Restructuring Plan or any chapter 11 plan or (b) an offer for the issuance, purchase, sale, exchange, hypothecation, or other transfer of
Section 8. Miscellaneous.

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

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

8.03. Parties. This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 3.04 hereof. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy, or claim under this Agreement.

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

8.05. GOVERNING LAW; SUBMISSION TO JURISDICTION; SELECTION OF FORUM; WAIVER OF TRIAL BY JURY. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (EXCEPT FOR SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW). Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to this Agreement, to the extent possible, in either the United States District Court for the Eastern District of New York or any New York State court sitting in New York City or following the Petition Date, the Bankruptcy Court (the “Chosen Courts”), and solely in connection with claims arising under this Agreement (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (b) waives any objection to laying venue in any such action or proceeding in the Chosen Courts, and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party hereto. Each Party hereto irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.
Notwithstanding the foregoing, upon the commencement of the Chapter 11 Cases, each of the parties hereto hereby agrees that, if the petitions have been filed and the Chapter 11 Cases are pending, the Bankruptcy Court shall be the Chosen Court.

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

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

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

8.09. **Acknowledgements.** Notwithstanding anything herein to the contrary, (a) this Agreement shall not be construed to limit the Debtors or any member of the Debtors’ boards of director’s exercise (in its sole discretion) of its fiduciary duties to any person, including but not limited to those arising from the Company’s status as a debtor or debtor in possession under the Bankruptcy Code or under other applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; and (b) if any Consenting Lender is appointed to and serves on an official committee in the Chapter 11 Cases, the terms of this Agreement shall not be construed so as to limit such Party’s exercise (in its sole discretion) of its fiduciary duties to any person arising from its service on such committee, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; provided, however, that nothing in this Agreement shall be construed as requiring any Consenting Lender to serve on any official committee in the Chapter 11 Cases. Nothing in this Agreement shall limit in any way the right of a Consenting Lender to participate in the Chapter 11 Cases; provided that such participation does not violate and is not inconsistent with the terms of this Agreement and the Restructuring Documents and Term Sheets.

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

(a) if to the Debtors, to:

Cengage Learning  
200 First Stamford Place, 4th Floor  
Stamford, Connecticut 06902  
New York, New York 10005  
Attention: Kenneth A. Carson, General Counsel
with copies (which shall not constitute notice) to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, New York 10022
Attention: Jonathan S. Henes and Christopher J. Marcus
E-mail addresses: jonathan.henes@kirkland.com,
christopher.marcus@kirkland.com

-and-

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attention: Ross. M. Kwasteniet
E-mail addresses: ross.kwasteniet@kirkland.com

(b) if to a Consenting Lender or a transferee thereof, to the address set forth below following the Consenting Lender’s signature (or as directed by any transferee thereof), as the case may be.

with copies (which shall not constitute notice) to:

Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005
Attention: Dennis Dunne
Lauren Cohen
E-mail address: ddunne@milbank.com
ldoyle@milbank.com

and in the case of JPMorgan Chase Bank, N.A., with additional copies (which shall not constitute notice) to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10024
Attn: Damian S. Schaible
Darren S. Klein
E-mail address: damian.schaible@davispolk.com
darren.klein@davispolk.com

All Consenting Lenders shall be provided reasonable notice of any actions or documents requiring the consent of some or all Consenting Lenders.

Any notice given by hand delivery, electronic mail, mail, or courier shall be effective when received.
8.11. **Access.** The Debtors will afford the First Lien Agents, the Credit Agreement Lenders, the First Lien Noteholders and each of their respective attorneys, consultants, accountants, and other authorized representatives reasonable access, upon reasonable notice during normal business hours, to all properties, books, contracts, commitments, records, management personnel, lenders, and advisors of the Debtors; provided, however, that the Debtors’ obligation hereunder shall be conditioned upon such Party being party to an executed confidentiality agreement approved by and with the Company, unless such Party is otherwise subject to confidentiality obligations in connection with the First Lien Credit Facility, the First Lien Indenture or the Restructuring.

8.12. **Waiver.** Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict any right of any Restructuring Support Party or the ability of each of the Restructuring Support Parties to protect and preserve its rights, remedies, and interests, including, without limitation, its claims against or interests in the Debtors including under the First Lien Credit Agreement, the First Lien Indenture and applicable law. If the Restructuring is not consummated, or if this Agreement is terminated for any reason (other than Section 5.03 hereof), the Parties fully reserve any and all of their rights. Pursuant to Rule 408 of the Federal Rules of Evidence and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

8.13. **Several, Not Joint, Obligations.** The agreements, representations, and obligations of the Parties under this Agreement are, in all respects, several and not joint. It is understood and agreed that any Consenting Lender may trade in the First Lien Claims or other debt or equity securities of the Debtors without the consent of the Debtors or any other Consenting Lender, subject to applicable laws, if any, Section 3.04 herein and the First Lien Credit Facility or First Lien Indenture (as each may be applicable). No Consenting Lender shall have any responsibility for any such trading by any other entity by virtue of this Agreement.

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

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

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

8.17. **Survival of Agreement.** Each of the Parties acknowledges and agrees that this Agreement is being executed in connection with negotiations concerning a possible financial restructuring of the Debtors and in contemplation of possible chapter 11 filings by the Debtors, and (a) the rights granted in this Agreement are enforceable by each signatory hereto without
approval of the Bankruptcy Court, and (b) the Debtors waive any rights to assert that the exercise of such rights violate the automatic stay, or any other provisions of the Bankruptcy Code.

8.18. **Settlement Discussions.** This Agreement and the Restructuring Documents and Term Sheets are part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

8.19. **Consideration.** The Parties hereby acknowledge that no consideration, other than that specifically described herein, the Restructuring Documents and Term Sheet shall be due or paid to any Party for its agreement to vote to accept the Agreed Restructuring Plan in accordance with the terms and conditions of this Agreement.

**Section 9. Disclosure.** Prior to any disclosure, the Debtors shall submit to counsel for the Restructuring Support Parties all press releases and public documents that constitute the initial disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement. Except as required by law (as determined by outside counsel to the Debtors, and with reasonable prior notice to the Restructuring Support Parties), the Debtors shall not (x) use the name of any Restructuring Support Party in any public manner without such Party’s prior written consent, or (y) disclose to any person other than legal and financial advisors to the Debtors the principal amount or percentage of any First Lien Claims or any other securities of the Debtors or any of their respective subsidiaries held by any Consenting Lenders; provided, however, that the Debtors shall be permitted to disclose at any time the aggregate principal amount of and aggregate percentage of the First Lien Claims held by the Consenting Lenders; provided further, however, that when the Debtors file this Agreement with the Bankruptcy Court, the Debtors shall redact the names of any Restructuring Support Party from the recitals of this Agreement and any signature pages hereto. The Debtors shall not request or demand that any entity or committee representing more than one of the Credit Agreement Lenders, including, solely for the purposes hereof, the Credit Agreement Agent, any Consenting Lender, and any professional representing any or all of the foregoing, file a verified statement pursuant to rule 2019 of the Federal Rules of Bankruptcy Procedure.

[Signatures on Following Page]
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers or other agents, solely in their respective capacity as officers or other agents of the undersigned and not in any other capacity, as of the date first set forth above.

CENGAGE LEARNING HOLDINGS II, L.P.

By: Cengage Learning GP I LLC

By: _____________________________
Name: ___________________________
Title: ____________________________

CENGAGE LEARNING ACQUISITIONS, INC.

By: _____________________________
Name: ___________________________
Title: ____________________________

CENGAGE LEARNING HOLDCO, INC.

By: _____________________________
Name: ___________________________
Title: ____________________________

CENGAGE LEARNING, INC.

By: _____________________________
Name: ___________________________
Title: ____________________________
BlackRock Financial Management, Inc., on behalf of the funds and accounts listed on Schedule B hereto

By: ____________________________
Name: AnnMarie Smith
Title: Authorized Signatory

Address:

c/o BlackRock Financial Management, Inc.
Leveraged Finance Group
55 East 52nd Street
New York, NY 10055
Attn: David Trucano, Andy Taylor
Email: david.trucano@blackrock.com, andy.taylor@blackrock.com

With a copy (which shall not constitute notice) to:

c/o BlackRock, Inc.
Office of the General Counsel
40 East 52nd Street
New York, NY 10022
Attn: David Maryles and Vincent Taurassi
Email: group1&cutransactions@blackrock.com

[Signature Page to Restructuring Support Agreement]
SCHEDULE B
BlackRock Funds

Allied World Assurance, Ltd.
JPMIB re BlackRock BankLoan Fund
BlackRock Credit Investors Master Fund, L.P.
BlackRock Funds II, BlackRock Floating Rate Income Portfolio
BGF Global Multi-Asset Income Fund Global High Yield
BlackRock Secured Credit Portfolio of BlackRock Funds II
BlackRock High Yield V.I. Fund of BlackRock Variable Series Funds, Inc.
Den Professionelle Forening Danske Invest Institutional High Yield Portfolio
Den Professionelle Forening Danske Invest Institutional High Yield Bond Portfolio
Global High Yield Bond Fund, a series of DSBI - Global Investment Trust
BlackRock Global Investment Series: Income Strategies Portfolio
Adfam Investment Company LLC
Ironshore Inc.
MET Investors Series Trust - BlackRock High Yield Portfolio
Fixed Income Portable Alpha Master Series Trust
Navy Exchange Service Command Retirement Trust
The Obsidian Master Fund
The PNC Financial Services Group, Inc. Pension Plan
PPL Services Corporation Master Trust
Advanced Series Trust - AST BlackRock Global Strategies Portfolio
Universal-Investment-Gesellschaft mbh re RB-U1-FONDS
Value Credit Partners (Offshore) Master L.P.
Value Credit Partners, L.P.
BlackRock Funds II, BlackRock High Yield Bond Portfolio
BlackRock High Yield Trust
BlackRock Senior High Income Fund, Inc.
BlackRock Credit Investors Master Fund SPV, L.P.
BlackRock Floating Rate Income Trust
BlackRock Strategic Bond Trust
BlackRock Defined Opportunity Credit Trust
BlackRock Limited Duration Income Trust
BMI CLO I
BlackRock Senior Income Series II
BlackRock Senior Income Series IV
BlackRock Senior Income Series V Limited
BlackRock High Yield Portfolio of BlackRock Series Fund, Inc
California State Teachers’ Retirement System
BlackRock Corporate High Yield Fund, Inc.
BlackRock Corporate High Yield Fund III, Inc.
BlackRock Debt Strategies Fund, Inc.

[Signature Page to Restructuring Support Agreement]
BGF Global High Yield Bond Fund
Employees’ Retirement Fund of the City of Dallas
Fonditalia Bond Global High Yield Fund
BlackRock Fixed Income Value Opportunities
BlackRock Floating Rate Income Strategies Fund, Inc.
BlackRock High Income Shares
BlackRock Corporate High Yield Fund VI, Inc.
BlackRock Corporate High Yield Fund V, Inc.
Magnetite V CLO, Limited
Magnetite VI, Limited
BlackRock Senior Floating Rate Portfolio
BGF US Dollar High Yield Bond Fund
BAV RBI Renten US HY I

[Signature Page to Restructuring Support Agreement]
R3 Capital Partners Master, L.P.

By: Blackrock Investment Management, LLC, its Investment Manager

By:

Name: AnnMarie Smith
Title: Authorized Signatory

Address:

c/o BlackRock Financial Management, Inc.
Leveraged Finance Group
55 East 52nd Street
New York, NY 10055
Attn: David Trucano, Andy Taylor
Email: david.trucano@blackrock.com, andy.taylor@blackrock.com

With a copy (which shall not constitute notice) to:

c/o BlackRock, Inc.
Office of the General Counsel
40 East 52nd Street
New York, NY 10022
Attn: David Maryles and Vincent Taurassi
Email: group1&custtransactions@blackrock.com

[Signature Page to Restructuring Support Agreement]
Midtown Acquisitions L.P.

By: Midtown Acquisitions GP LLC, its general partner

By: [Signature]
Name: CONOR BARTLE
Title: Manager

Address:

c/o Davidson Kempner Capital Management LLC
65 east 55th Street, 20th Floor
New York, NY 10022

[Signature Page to Restructuring Support Agreement]
DEUTSCHE BANK TRUST COMPANY
AMERICAS, solely as it pertains to Class B
Extended Revolver Commitments managed
By the Deutsche Bank Trust Company
Americas Workout Group

By: 
Name: Mark B. Cohen
Title: Managing Director

By: 
Name: Kelvin Ji
Title: Vice President

Address:
c/o Deutsche Bank Trust Company Americas
60 Wall St, 43rd Floor
New York, NY 10005
Franklin Mutual Advisers, LLC, on behalf of the funds and accounts listed on Schedule C hereto

By: 
Name: 
Title: 

Address:

c/o Franklin Mutual Advisers, LLC
101 John F. Kennedy Parkway
Short Hills, NJ 07078

[Signature Page to Restructuring Support Agreement]
SCHEDULE C
Franklin Mutual Advisers Funds

EQ/Mutual Large Cap Equity Portfolio
AZL/Mutual Shares Strategy
Mutual Beacon Fund (Canada)
Mutual Discovery Fund (Canada)
ING Franklin Mutual Shares Portfolio
John Hancock Variable Insurance Trust – Mutual Shares Trust
John Hancock Funds II – John Hancock Mutual Shares Fund
JNL/Franklin Templeton Mutual Shares Fund
Mutual Beacon Fund
Mutual Global Discovery Fund
Mutual Quest Fund
Franklin Mutual Recovery Fund
Mutual Shares Fund
Advanced Series Trust – AST Franklin Templeton Founding Funds Allocation Portfolio –
Mutual Shares
Mutual Global Discovery Securities Fund
Mutual Shares Securities Fund

[Signature Page to Restructuring Support Agreement]
JPMorgan Chase Bank, N.A.
as Consent Lender

By: Charles O. Freedgood
Name: Charles O. Freedgood
Title: Managing Director
Joinder to Restructuring Support Agreement

JPMorgan Chase Bank, N.A. hereby executes this Joinder to the Restructuring Support Agreement in its capacity as Credit Agreement Agent for the purpose of evidencing its support for the Restructuring on the terms set forth in the Restructuring Documents and Term Sheets; provided that in the event that (i) the Required Lenders (as defined in the First Lien Credit Facility) direct the Credit Agreement Agent in accordance with section 10.04(a) of the First Lien Credit Facility to withdraw its support for the Restructuring or (ii) any terms or conditions of any proposed Definitive Documents or any determinations made in connection with the Restructuring are not acceptable to the Credit Agreement Agent in its sole discretion, the Credit Agreement Agent may withdraw its support for the Restructuring. For the avoidance of doubt, neither this Joinder nor any provision of the Restructuring Support Agreement or the Restructuring Term Sheet shall be deemed to modify or amend any provision of the First Lien Credit Facility, including without limitation section 10.04 thereof or any of the Credit Agreement Agent’s rights and obligations thereunder.

JPMORGAN CHASE BANK, N.A.
as Credit Agreement Agent

By: [Signature]

Name: Charles O. Freedgood
Title: Managing Director
KKR Asset Management LLC., on behalf of the funds and accounts listed on Schedule A hereto

By: 
Name: Nicole J. Macarchuk
Title: Authorized Signatory

Address:

c/o KKR Asset Management LLC
555 California Street, 50th Floor
San Francisco, CA 94104
Attn: Jamie Ely and Harlan Cherniak
Email: Jamison.Ely@kkr.com; Harlan.Cherniak@kkr.com; KAMLegal@kkr.com
SCHEDULE A
KKR Asset Management LLC Funds

8 Capital Partners L.P.
CCT Funding LLC
KKR Alternative Corp Opportunities Fund
KKR Financial CLO 2005-2, Ltd.
KKR Financial CLO 2006-1, Ltd.
KKR Financial CLO 2007-1, Ltd.
KKR Financial CLO 2007-A, Ltd.
KKR Financial CLO 2011-1, Ltd
KKR Corporate Credit Partners L.P.
KKR Debt Investors II (2006) (Ireland) L.P.
KKR Financial Holdings III, LLC
KKR-Keats Capital Partners L.P.
KKR-PBPR Capital Partners L.P.
Maryland State Retirement and Pension System
Oregon Public Employees Retirement Fund
Spruce Investors Limited
ACE Tempest Reinsurance Ltd.
KKR Credit Relative Value Master Fund L.P.
Montpelier Capital Limited
KKR Alternative High Yield Fund
KKR Floating Rate Fund L.P.
KKR-Milton Capital Partners L.P.

[Signature Page to Restructuring Support Agreement]
OAK HILL ADVISORS, L.P., on behalf of certain private funds and separate accounts that it manages

By: Oak Hill Advisors GenPar, L.P.,
Its: General Partner

By: Oak Hill Advisors MGP, L.P.,
Its: Managing General Partner

By: [Signature]
Name: [Name]
Title: [Title]

Address:
c/o Oak Hill Advisors, L.P.
1114 Avenue of the Americas, 27th Floor
New York City, NY 10036

[Signature Page to Restructuring Support Agreement]
Oaktree Opportunities Fund VIIIb, L.P.
Oaktree Opportunities Fund VIIIb (Parallel), L.P.

By: Oaktree Opportunities Fund VIIIb GP, L.P.
Its: General Partner

By: Oaktree Opportunities Fund VIIIb GP Ltd.
Its: General Partner

By: Oaktree Capital Management, L.P.
Its: Director

By: ____________________________
Name: Brian Laibow
Title: Managing Director

By: ____________________________
Name: Brook Hinchman
Title: Vice President

Address:
c/o Oaktree Capital Management, L.P.
333 S. Grand Avenue, 28th Floor
Los Angeles, CA 90071

[Signature Page to Restructuring Support Agreement]
Oaktree Value Opportunities Fund, L.P.

By: Oaktree Value Opportunities Fund GP, L.P.
Its: General Partner

By: Oaktree Value Opportunities Fund GP Ltd.
Its: General Partner

By: Oaktree Capital Management, L.P.
Its: Director

By: [Signature]
Name: Brian Laibow
Title: Managing Director

By: [Signature]
Name: Brook Hinchman
Title: Vice President

Address:

c/o Oaktree Capital Management, L.P.
333 S. Grand Avenue, 28th Floor
Los Angeles, CA 90071
Oaktree FF Investment Fund, L.P. – Class F

By: Oaktree FF Investment Fund GP, L.P.
Its: General Partner

By: Oaktree FF Investment Fund GP Ltd.
Its: General Partner

By: Oaktree Capital Management, L.P.
Its: Director

By: [Signature]
Name: Brian Laibow
Title: Managing Director

By: [Signature]
Name: Brook Hinchman
Title: Vice President

Address:

c/o Oaktree Capital Management, L.P.
333 S. Grand Avenue, 28th Floor
Los Angeles, CA 90071

[Signature Page to Restructuring Support Agreement]
Searchlight (DDI) I, L.P.
By: Searchlight (DDI) I GP, LLC, its general partner

By: _____________________________
Name: Eric Zinterhoffer
Title: Authorized Person

Address:
c/o Searchlight Capital Partners
745 Fifth Avenue, 32nd Floor
New York, NY 10151
Western Asset Management Company, as investment manager and agent on behalf of certain of its clients

By: [Signature]

Name: W. Stephen Venable, Jr.
Title: Manager, U.S. Legal and Corporate Affairs

Address:

c/o Western Asset Management Company
385 E. Colorado Boulevard
Pasadena, CA 91101
Exhibit A

Restructuring Term Sheet

THIS TERM SHEET DOES NOT CONSTITUTE AN OFFER OF SECURITIES OR A SOLICITATION OF THE ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN FOR PURPOSES OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

THIS TERM SHEET IS A SETTLEMENT PROPOSAL IN FURTHERANCE OF SETTLEMENT DISCUSSIONS. THIS TERM SHEET IS NOT A COMMITMENT TO LEND OR TO AGREE TO THE TERMS OF ANY RESTRUCTURING. ACCORDINGLY, THIS TERM SHEET IS PROTECTED BY RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER APPLICABLE STATUTES OR DOCTRINES PROTECTING THE USE OR DISCLOSURE OF CONFIDENTIAL SETTLEMENT DISCUSSIONS. THIS TERM SHEET IS SUBJECT TO ALL EXISTING CONFIDENTIALITY AGREEMENTS.

This Term Sheet is subject to ongoing review and approval by all parties and is not binding, is subject to material change, and is being distributed for discussion purposes only.

| OVERVIEW |
|------------------|----------------------------------|
| **Restructuring Summary** | Prior to the date of commencement of the Chapter 11 Cases (the “Petition Date”), those holders of First Lien Claims (as defined herein) who are signatories hereto shall have executed the restructuring support agreement to which this Term Sheet is attached |

(the “RSA”) pursuant to which the Debtors will agree to pursue and implement a restructuring process consistent with this Term Sheet in order to consummate a plan of reorganization (the “Plan”).

This Term Sheet outlines the terms of a balance-sheet restructuring of the Debtors and is premised on the Company’s estimated total enterprise value at emergence of $2.8 billion. The Plan, as outlined in this Term Sheet and subject to the terms of the RSA, shall provide for the holders of the First Lien Claims (as defined below) to receive in satisfaction of their secured claims their pro rata share of 100% of the equity in the Debtors as reorganized under the Plan (the “Reorganized Debtors”), Excess Cash (as defined herein), and, subject to the RSA and the Rollover Facility Term Sheet attached to the RSA, new debt or cash on account of new debt. The Unsecured Creditor Assets (as defined herein), or the value thereof, shall be reserved for the benefit of the holders of Unsecured Claims (as defined below), including the First Lien Deficiency Claims (as defined below).

This Term Sheet does not include a description of all of the terms, conditions, and other provisions that are to be contained in the Plan and the related definitive documentation governing the Restructuring identified in the RSA (which shall be in form and substance acceptable to the Debtors and the Required Consenting Lenders, the “Definitive Documents”). The Definitive Documents, all motions, and related orders and the plan solicitation documents shall satisfy the requirements of the Bankruptcy Code and be consistent with the RSA and this Term Sheet.

| Debt to be Restructured | Indebtedness that will be treated under the Plan includes, among other things, the following indebtedness and obligations (which amounts are not binding):  
1. approximately $3,880.7 million of obligations outstanding under that certain Credit Agreement, dated as of July 5, 2007, as amended by the Incremental Amendment, dated as of May 30, 2008, and the Amendment Agreement, dated as of April 10, 2012, by and among certain of the Debtors, JPMorgan Chase Bank, N.A. as administrative agent, and the other lenders party thereto (the “First Lien Credit Facility Agreement” and, together with all related agreements and documents executed by any of the Debtors in connection with the |

2 Amounts include accrued non-default interest through July 1, 2013, and is exclusive of other interest, fees and expenses.
Credit Agreement, the “First Lien Credit Agreement Documents”), consisting of (a) approximately $222.5 million of obligations under the Class A Revolving Credit Facility (as defined in the First Lien Credit Facility Agreement) (the “Unextended Revolver Claims”); (b) approximately $293.2 million of obligations under the Class B Revolving Credit Facility (as defined in the First Lien Credit Facility Agreement) (the “Extended Revolver Claims”); (c) approximately $1,522.7 million of obligations under the Original Term Loans (as defined in the First Lien Credit Facility Agreement) (the “Unextended Term Loan Claims”); (d) approximately $549.5 million of obligations under the Tranche 1 Incremental Term Loans (as defined in the First Lien Credit Facility Agreement) (the “Incremental Term Loan Claims”); and (e) approximately $1,292.8 million of obligations under the Tranche B Term Loans (as defined in the First Lien Credit Facility Agreement) (the “Extended Term Loan Claims,” and together with the Unextended Revolver Claims, the Extended Revolver Claims, the Unextended Term Loan Claims, the Incremental Term Loan Claims, and all accrued and unpaid interest, fees, costs, expenses, indemnities and other charges thereunder, the “First Lien Credit Facility Claims”); (2) approximately $742.6 million of obligations outstanding under that certain Indenture, dated as of April 10, 2012, by and among Cengage Learning Acquisitions, Inc., the guarantors party thereto, and The Bank of New York Mellon, as trustee and collateral agent, providing for the issuance of 11.50% Senior Secured Notes due 2020 (such indenture, the “First Lien Indenture,” and together with all related agreements and documents executed by any of the Debtors in connection with the First Lien Indenture, the “First Lien Indenture Documents”), and such obligations thereunder, the “First Lien Notes Claims”); (3) approximately $13.3 million of obligations outstanding under certain secured interest rate swap agreements (together with all related agreements and documents executed by any of the Debtors in connection with the First Lien Indenture, the “First Lien Swap Documents,” and together with the First Lien Credit Agreement Documents and the First Lien Indenture Documents, the “First Lien Documents”), and such obligations thereunder, the “First Lien Swap Claims,” and together with the First Lien Credit Facility Claims and the First Lien Notes Claims, the “First Lien Claims,” a holder of the
First Lien Claims, a “First Lien Claimant,” such amounts of First Lien Claims that are Secured, the “First Lien Secured Claims,” and such amounts of First Lien Claims that are not Secured, the “First Lien Deficiency Claims”) (4) approximately $752.7 million of obligations outstanding under that certain Indenture, dated as of July 5, 2012, among Cengage Learning Acquisitions, Inc., the guarantors party thereto, and The Bank of New York Mellon, as trustee and collateral agent, providing for the issuance of 12.00% Senior Secured Second Lien Notes due 2019 (together with all related agreements and documents executed by any of the Debtors in connection with the Second Lien Indenture, the “Second Lien Indenture Documents,” and such obligations thereunder, the “Second Lien Claims”) (5) approximately $305.4 million of obligations outstanding under that certain Indenture, dated as of July 5, 2007, among TL Acquisitions, Inc., the guarantors party thereto, and The Bank of New York Mellon, as trustee, providing for the issuance of 10.50% Senior Notes due 2015 (and obligations arising under such indenture and all related agreements and documents executed by any of the Debtors in connection with such indenture, the “Senior Notes Claims”); (6) approximately $67.6 million of obligations outstanding under that certain Indenture, dated as of October 31, 2008, among Cengage Learning Holdco, Inc., Cengage Learning Holdings II L.P., as guarantor, and Wells Fargo Banks National Association, as trustee, providing for the issuance of 13.75% Senior PIK Notes due 2015 (and obligations arising under such indenture and all related agreements and documents executed by any of the Debtors in connection with such indenture, the “PIK Notes Claims”); (7) approximately $140.0 million of obligations outstanding under that certain Indenture, dated as of July 5, 2007, by and among TL Acquisitions, Inc., the guarantors party thereto, and The Bank of New York Mellon, as trustee, providing for the issuance of 13.25% Senior Subordinated Discount Notes due 2015 (and obligations arising under such indenture and all related agreements and documents executed by

3 “Secured” shall mean when referring to a claim any claim that is secured by a lien on or security interest in property, 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 such 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.
any of the Debtors in connection with such indenture, the “Subordinated Notes Claims”); and

(8) all other non-priority general unsecured claims against the Debtors (including allowed intercompany claims) that are not First Lien Deficiency Claims, Second Lien Claims, Senior Notes Claims, PIK Notes Claims, or Subordinated Notes Claims (the “General Unsecured Claims,” and together with the First Lien Deficiency Claims, the Second Lien Claims, the Senior Notes Claims, the PIK Notes Claims, and the Subordinated Notes Claims, the “Unsecured Claims”).

For the avoidance of doubt, all allowed intercompany claims shall participate in any distribution to the holders of Unsecured Claims. To the extent such intercompany claim is pledged as collateral under the First Lien Documents, such distribution shall be paid over to the holders of the First Lien Claims on account of their First Lien Secured Claims.

Notwithstanding anything to the contrary herein, for purposes of the Plan, allowed amounts of claims shall reflect the impact (if any) of any final order of the Bankruptcy Court as of the Effective Date allowing, disallowing, recharacterizing, or subordinating any such claim. All distributions in respect of any indebtedness described above shall be made to the applicable administrative agent, indenture trustee, or other paying agent so designated under the applicable debt agreements to be applied and distributed to lenders and/or holders thereunder in accordance with the provisions of those agreements (including, but not limited to, any applicable waterfall provisions, subordination provisions, and provisions in intercreditor agreements).

**Exit Financing**

On the effective date of the Plan (the “Effective Date”), the Reorganized Debtors will use commercially reasonable efforts to enter into a new first-out revolving credit agreement of no less than $250 million and up to $400 million to be raised on market terms (the “New Revolver”), which new credit agreement shall be subject to the consent of the Consenting Lenders (such consent not to be unreasonably withheld); provided that without limiting the foregoing the Consenting Lenders agree that the New Revolver should be in an amount as large as possible but not to exceed $400 million provided it is raised on market terms.

Other terms of the New Revolver will be set forth in the Definitive Documents, which shall be in form and substance acceptable to the Debtors, the Required Consenting Lenders, and the Credit Agreement
The primary forms of consideration for distributions under the Plan will be the New Debt Facility, the New Equity, and the Excess Cash (each as defined herein) (collectively, the \textit{Plan Consideration}).

\textbf{New Debt Facility Consideration} shall mean, subject to the terms of the RSA and the Rollover Facility Term Sheet, either, (1) the Rollover Facility or (2) cash received from the Reorganized Debtors’ entry, on the Effective Date, into the New Term Loan Facility in accordance with the provisions of section 3.01(a)(iii) of the RSA.

\textbf{New Equity} shall mean 100% (subject to dilution for the Management Incentive Plan (as defined herein) and as otherwise provided in the Plan) of the new equity interests issued by the Reorganized Debtors pursuant to the Plan (the \textit{New Equity}) following the cancellation of the existing equity interests on the Effective Date, and subject to the terms and conditions of the RSA and the Equity Term Sheet attached to the RSA.

\textbf{Excess Cash} shall mean any cash other than the Disputed Cash (as defined herein) remaining on the Company’s balance sheet as of the Effective Date after funding all payments and reserves required under the Plan, less $50 million (subject to working capital adjustments to be negotiated).

\textbf{Unsecured Creditor Distribution} shall mean a recovery under the Plan on account of the following assets (the \textit{Unsecured Creditor Assets}) to the holders of Unsecured Claims, including the First Lien Deficiency Claims:

(1) cash, if any, that (A) the Required Consenting Lenders and the Debtors agree is not subject to any perfected unavoidable liens under the First Lien Documents or the Second Lien Documents or (B) is determined by a final order of the Bankruptcy Court to not be subject to any perfected unavoidable liens under the First Lien Documents or the Second Lien Documents (in either case, the \textit{Disputed Cash})

(2) 35% of the equity interests in Cengage Learning Acquisitions C.V. (\textit{CLA C.V.}), the Debtors’ first-tier non-Debtor foreign subsidiary, or the value thereof (if any), after taking into account any valid intercompany claims owing by CLA C.V. or its subsidiaries to the Debtors (the \textit{CLA C.V. 35\% Equity Value});

(3) all copyrights that were registered by the Debtors with the United States Copyright Office after July 5, 2012 but prior to the Petition
Date and (A) with respect to which copyrights no perfection recording was made with the United States Copyright Office for the benefit of either the First Lien Claimants or the Second Lien Claimants or (B) if they were perfected with the United States Copyright Office for the benefit of either the First Lien Claimants or the Second Lien Claimants, they were perfected with the United States Copyright Office within the 90 days prior to the Petition Date and such perfection has been avoided pursuant to a final order of the Bankruptcy Code (the “Disputed Copyrights”); provided, however, the Debtors shall, to the extent requested by the Reorganized Debtors, grant the Reorganized Debtors a license with respect to the Disputed Copyrights for fair value;

(4) all equity interests owned by the Debtors in The Hampton Brown Company LLC and CourseSmart LLC (the “Non-Wholly Owned Subsidiaries Interests”); and

(5) the $8,883,986.42 of cash invested in a money market fund operated by Federated Investors, Inc. and traded under the ticker “TOIXX” (the “Federated Fund”) to replace funds used from the Federated Fund to make an amortization payment on June 28, 2013, but solely to the extent the other funds in the Federated Fund are determined to constitute Disputed Cash (the “Additional Disputed Cash”).

Convenience Class and Reporting Company Status

The Reorganized Debtors intend to emerge from the Chapter 11 Cases as a company that is not subject to the reporting requirements of the Securities Exchange Act of 1934 (the “Reporting Requirements”). Accordingly, the Reorganized Debtors intend to set a dollar amount threshold (the “Reporting Company Threshold”) applicable to General Unsecured Claims that in the Reorganized Debtors’ estimate will result in fewer than 2,000 holders of New Equity and fewer than 500 holders of New Equity that are not “accredited investors.” General Unsecured Claims in an amount less than the Reporting Company Threshold will be classified as “convenience class” general unsecured claims and will receive cash in a dollar amount equal to the value of the Plan Consideration that such holder would otherwise have received if such General Unsecured Claim were not less than the Reporting Company Threshold. Subject to the terms and conditions of the Equity Term Sheet and the RSA, the Reorganized Debtors’ organizational documents, in form and substance acceptable to the Required Consenting Lenders, will contain appropriate and customary restrictions on transfers of the New Equity for the purpose of maintaining the Reorganized Debtors’ status as a company that is not
subject to the Reporting Requirements.

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<th><strong>TREATMENT OF CLAIMS</strong></th>
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<tr>
<td><strong>Administrative Claims</strong></td>
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<td><strong>Priority Tax Claims</strong></td>
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<td><strong>Other Priority Claims</strong></td>
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<td><strong>Other Secured Claims</strong> (Against All Debtors)</td>
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<td><strong>First Lien Secured Claims</strong></td>
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<tr>
<td><strong>Unsecured Claims Against CLI</strong></td>
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<td><strong>Unsecured Claims Against CLAI</strong></td>
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waterfall that shall take into account all applicable priority principles of the Bankruptcy Code and other applicable law, including but not limited to subordination provisions and provisions in intercreditor agreements.

Notwithstanding anything herein to the contrary, the Second Lien Claims shall be separately classified in order to give effect to the intercreditor agreement between the holders of the First Lien Claims and the Second Lien Claims. The holders of Second Lien Claims shall be required to turnover their recoveries on account any proceeds of the collateral securing the Second Lien Claims and the First Lien Claims to the holders of First Lien Deficiency Claims.

For the avoidance of doubt, the Subordinated Notes Claims shall not be entitled to any recovery under the Plan.

| Unsecured Claims against CL Holdings and CL Holdco | Holders of Unsecured Claims against CL Holdings and CL Holdco (including First Lien Deficiency Claims against CL Holdings and CL Holdco) will receive a pro rata distribution of any unencumbered assets, if any, of CL Holdings or CL Holdco, as applicable, on account of such claims, which shall be allocated to holders of Allowed Unsecured Claims against CL Holdings and CL Holdco, as applicable, in accordance with a priority waterfall that shall take into account all applicable priority principles of the Bankruptcy Code and all other applicable law, including but not limited to subordination provisions and provisions in intercreditor agreements.

For the avoidance of doubt, the Subordinated Notes Claims shall not be entitled to any recovery under the Plan. |
|---|---|
| Section 510(b) Claim Against All Debtors | “Section 510(b) Claims” means any claim against any of the Debtors that is described in section 510(b) of the Bankruptcy Code.

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. |
| Existing Equity Interests | “Equity Interests in the Company” means any share of common stock, preferred stock or other instrument evidencing an ownership interest in the Company, whether or not transferable, and any option, warrant, restricted stock unit, or right, contractual or otherwise, to acquire any such interest in the Company that existed immediately prior to the Effective Date.

**Treatment.** Holders of Equity Interests in the Company will not receive any distribution on account of such interests, and Equity Interests in the Company shall be discharged, cancelled, released, and extinguished as of the Effective Date. |
extinguished as of the Effective Date.

“**Intercompany Interests**” shall include any share of common stock or other instrument evidencing an ownership interest in any of the Debtors other than the Company, whether or not transferable, and any option, warrant, or right, contractual or otherwise, to acquire any such interest in a Debtor other than the Company, which is held by another Debtor or an affiliate of a Debtor.

Although Intercompany Interests shall not receive any distribution on account of such Intercompany Interests, solely to implement the Plan, Intercompany Interests shall be retained and not cancelled, 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.

<table>
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<tr>
<th><strong>GENERAL PROVISIONS</strong></th>
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<td><strong>Issuance of New Equity</strong></td>
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<tr>
<td><strong>Corporate Governance</strong></td>
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<td><strong>Management Incentive Plan</strong></td>
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<td><strong>Management Employment Agreements</strong></td>
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conform with the Management Incentive Plan, which adjustments (if any) and such other terms of the employment agreement shall be satisfactory to the Company, the applicable member of management, and the Required Consenting Lenders and/or their advisors, and be determined no later than the milestone date set forth in section 3.02(b) of the RSA. The terms of the employment agreements of members of senior management shall be deemed incorporated into the RSA and the Term Sheet by reference, and shall be assumed in connection with the Plan.

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<tr>
<th>Definitive Documents</th>
<th>Any final agreement shall be subject to the Definitive Documents, which Definitive Documents shall be consistent with the terms of this Term Sheet and the RSA in all respect unless otherwise agreed to pursuant to the terms of the RSA. The Definitive Documents shall contain terms, conditions, representations, warranties, and covenants, each customary for the transactions described herein consistent with the terms of this Term Sheet.</th>
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<tr>
<td>Tax Issues</td>
<td>The Restructuring shall be structured to preserve favorable tax attributes to the extent practicable.</td>
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Exhibit B

Rollover Facility Term Sheet
SENIOR SECURED ROLLOVER EXIT TERM LOAN FACILITY
SUMMARY OF PROPOSED TERMS AND CONDITIONS

CONFIDENTIAL; FOR DISCUSSION PURPOSES ONLY
NOT A COMMITMENT TO LEND


THIS TERM SHEET IS SUBJECT TO ONGOING REVIEW BY THE CONSENTING LENDERS AND THEIR PROFESSIONALS, IS SUBJECT TO MATERIAL CHANGE AND IS BEING DISTRIBUTED FOR DISCUSSION PURPOSES ONLY. THIS IS NOT A COMMITMENT TO LEND. THIS TERM SHEET IS NON-BINDING AND THE PROPOSALS CONTAINED HEREIN ARE SUBJECT TO, AMONG OTHER THINGS, DUE DILIGENCE, CREDIT APPROVAL AND THE NEGOTIATION, DOCUMENTATION AND EXECUTION OF DEFINITIVE DOCUMENTATION. ONLY EXECUTION AND DELIVERY OF DEFINITIVE DOCUMENTATION RELATING TO THE TRANSACTIONS SHALL RESULT IN ANY BINDING OR ENFORCEABLE OBLIGATIONS OF ANY PARTY RELATING TO THE TRANSACTIONS.

UNLESS OTHERWISE SPECIFICALLY DEFINED HEREIN, EACH CAPITALIZED TERM USED IN THIS TERM SHEET THAT IS DEFINED IN THE RESTRUCTURING SUPPORT AGREEMENT SHALL HAVE THE MEANING ASSIGNED TO SUCH TERM IN THE RESTRUCTURING SUPPORT AGREEMENT.

Borrower: Cengage Learning Acquisitions, Inc., a Delaware corporation (the “Borrower”).

Holdings: Cengage Learning Holdco, Inc., a Delaware corporation (“Holdings”).

Lenders: Initially, holders of First Lien Claims (the “Lenders”).

Agents: An administrative agent (in such capacity, the “Administrative Agent”) and collateral agent (in such capacity, the “Collateral Agent” and together with the Administrative Agent, collectively, the “Agents”) to be selected by the Borrower and approved by the Consenting Lenders.

Term Loan Facility: A senior secured term loan facility (the “Term Loan Facility”; the loans thereunder, the “Term Loans”) in an aggregate principal amount of $1.5 billion. The Term

1 Ownership structure to be collapsed to dissolve Cengage Learning Holdings II, L.P. if no material adverse tax consequences of doing so (as determined by the Consenting Lenders).
Loans will be distributed to the Lenders as partial satisfaction of their respective First Lien Claims.

Closing Date:
The Term Loan Facility shall close and become effective on the date (the “Closing Date”) of (i) the execution and delivery of the Financing Documentation (as defined below) by the Borrower, the Guarantors (as defined below), the Agents and the respective Lenders party thereto, (ii) the satisfaction of the conditions precedent to effectiveness of the Term Loan Facility specified in the credit agreement, including those described herein and (iii) the effectiveness of the Agreed Restructuring Plan (pursuant to the Confirmation Order).

Ratings:
At the sole cost and expense of the Borrower, the Borrower shall use commercially reasonable efforts to obtain, and use commercially reasonable efforts to maintain, a public corporate level rating, a public family level rating, a public facility level rating and a public recovery rating from each of Standard & Poor’s and Moody’s.

Amortization:
1.0% of the initial principal amount of the Term Loans on an annualized basis payable in quarterly installments, beginning on the last business day of the first full fiscal quarter following the Closing Date. Any remaining principal shall be due on the Maturity Date unless earlier payment is required from mandatory prepayments or following an event of default.

Documentation:
Usual and customary for facilities and transactions of this type, to include, among others, a credit agreement, guarantees and appropriate pledge agreements, security agreements, mortgages, control agreements, intercreditor agreements and other collateral documents (collectively, the “Financing Documentation”).

Guarantors:
The obligations of the Borrower under the Term Loan Facility will be unconditionally guaranteed, on a joint and several basis, by, Holdings and each existing and subsequently acquired or formed direct and indirect domestic subsidiary other than any domestic subsidiaries of foreign subsidiaries (each a “Guarantor”; and such guarantee being referred to herein as a “Guarantee”). All Guarantees shall be guarantees of payment and not of collection. The Borrower and the Guarantors are herein referred to as the “Loan Parties” and, individually, as a “Loan Party.”

Security:
The Term Loan Facility shall be secured by a perfected first priority (subject to certain exceptions (including
liens securing the New Revolving Credit Facility, which New Revolving Credit Facility shall be on terms reasonably acceptable to the Consenting Lenders) to be set forth in the Financing Documentation) security interest in all of the present and future tangible and intangible assets of the Loan Parties (including, without limitation, cash, deposit and securities accounts, accounts receivable, inventory, intellectual property, material owned real property, 100% of the capital stock of the Borrower and the Guarantors and 100% of the non-voting capital stock, and 65% of the voting stock, of each first-tier foreign subsidiary of the Borrower) (the “Collateral”).

Maturity Date: The final maturity of the Term Loan Facility will occur on the sixth anniversary of the Closing Date (the “Maturity Date”).

Interest Rate: The Consenting Lenders will consult with the Borrower to determine a mutually acceptable interest rate for the Term Loan based on each party’s good faith judgment of the rate that would allow the initial secondary market price to be equal to par.

After the occurrence and during the continuance of an Event of Default, interest on all amounts then outstanding will accrue at a rate equal to 2.00% per annum above the interest rate then in effect and will be payable on demand.

Interest Payments: Except as set forth below, on the last day of selected interest periods (which may be one, two, three or six months) for Term Loans (except, in the case of interest periods of longer than three months, at the end of every three months); and upon prepayment, in each case payable in arrears and computed on the basis of a 360-day year.

Mandatory Prepayments: Mandatory prepayments will be required with respect to excess cash flow, asset sales (subject to customary reinvestment provisions), insurance proceeds and incurrence of non-permitted indebtedness (subject to certain exceptions and basket amounts to be negotiated in the definitive Financing Documentation).

Optional Prepayments: Term Loans may be prepaid at any time, in whole or in part, at the option of the Borrower, upon notice and in minimum principal amounts and in multiples to be agreed upon.
Prepayment Premium: If the Term Loans are prepaid or accelerated at any time (excluding certain mandatory prepayments agreed to by the Lenders), the Borrower shall, in addition to such prepayment of the principal of, and interest on, the Term Loans, pay to the Lenders the Prepayment Premium.

“Prepayment Premium” means a percentage of the principal prepaid or accelerated in the following months after the Closing Date:

<table>
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<tr>
<th>Months</th>
<th>Prepayment Premium</th>
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<tr>
<td>1-6</td>
<td>0%</td>
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<tr>
<td>7-18</td>
<td>1.0%</td>
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<tr>
<td>19 and thereafter</td>
<td>0%</td>
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Conditions to Closing: The availability of the Term Loan Facility shall be conditioned upon the satisfaction of the conditions precedent set forth in the Conditions Annex attached hereto as Annex A hereto.

Representations and Warranties: The Loan Parties will make representations and warranties usual and customary for transactions of this type and other terms deemed appropriate by the Lenders, including, without limitation: (i) material accuracy of disclosure and absence of undisclosed liabilities as of the Closing Date, (ii) corporate existence, (iii) compliance with law, (iv) corporate power and authority, (v) enforceability of Financing Documentation, (vi) no conflict with law or contractual obligations, (vii) no material litigation, (viii) no default, (ix) ownership of property, (x) liens, (xi) intellectual property, (xii) no burdensome restrictions, (xiii) taxes, (xiv) Federal Reserve margin regulations, (xv) ERISA, (xvi) Investment Company Act, (xvii) subsidiaries, (xviii) collateral, (xix) environmental matters, (xx) labor matters, (xxi) significant authors and the status of contracts therewith, and (xxii) compliance with all applicable “know your customer” and anti-money laundering rules and regulations (including, without limitation, the Patriot Act).

Affirmative Covenants: The Loan Parties will comply with affirmative covenants customary for transactions of this type and other terms deemed appropriate by the Lenders, including, without limitation: (i) compliance with laws and material contractual obligations, (ii) payment of taxes and other material obligations, (iii) maintenance of insurance, (iv) conduct of business, (v) preservation of corporate existence, (vi) keeping of books and records, (vii) maintenance of properties, (viii) transactions with affiliates, (ix) reporting requirements (including, without
limitation, as detailed below under the heading “Information Rights”), (x) additional guarantors, (xi) right of Lenders to inspect property and books and records, (xii) notices of defaults, litigation and other material events, (xiii) compliance with environmental laws and (xiv) further assurances.

Negative Covenants: The Loan Parties will comply with negative covenants customary for transactions of this type and other terms deemed appropriate by the Lenders, including, without limitation, but subject to baskets, limits and incurrence tests to be agreed upon: (i) indebtedness (including guarantee obligations), (ii) liens, (iii) payment restrictions affecting subsidiaries, (iv) restricted payments, (v) material changes in business, (vi) negative pledge, (vii) transactions with affiliates, (viii) changes in fiscal year, (ix) sale of all or substantially all assets, (x) investments and (xi) prepayment of junior debt classes.

Financial Covenants: Customary for a covenant-lite loan transaction of this type. Notwithstanding the foregoing, the Financing Documentation may include a maximum leverage or minimum Consolidated EBITDA covenant.

Information Rights: The Loan Parties shall provide to the Lenders, and any prospective lender (who is not a direct competitor of the Loan Parties) that has entered into a confidentiality agreement on customary terms and for purposes of evaluating the investment (“Qualified Prospective Investor”) on a reputable password-protected online data system, such as Intralinks, annual reports, quarterly reports, proxy statements and other periodic reports that would be required to be filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), prepared as if the Loan Parties were reporting companies under the Exchange Act. The Loan Parties shall hold live quarterly conference calls (with a question and answer period) for the Lenders and Qualified Prospective Investors, with dates and dial-in information announced on the password-protected online data system utilized by the Loan Parties at least three (3) days prior to such quarterly calls.

Events of Default: The following will constitute Events of Default, subject to customary exceptions, materiality qualifications and notice periods to be agreed upon and, where applicable (other than clause (i) below), cure and grace periods to be determined: (i) nonpayment of principal when due and nonpayment of interest, fees or other amounts after a grace period to be determined, (ii) material inaccuracy of
representations or warranties, (iii) failure to perform or observe negative and certain affirmative covenants set forth in the Financing Documentation, (iv) bankruptcy and insolvency defaults of any Loan Party or any of their material subsidiaries, (v) change of control (the definition of which is to be agreed upon), (vi) customary ERISA defaults, (vii) any Guarantee ceases to be in full force and effect, (viii) material judgments, and (ix) other Events of Default to be determined.

Defaulting Lender Provisions, Yield Protection and Increased Costs:

Customary for transactions of this type, including, without limitation, in respect of breakage or redeployment costs incurred in connection with prepayments, illegality, unavailability, increased costs or loss of yield resulting from changes in reserve, tax, capital adequacy and other requirements of law and payments free and clear of withholding or other taxes.

Assignments and Participations:

Lenders will be permitted to make assignments in a minimum amount to be agreed (unless such assignment is of a Lender’s entire interest in the Term Loan Facility) to any person or entity (other than a natural person and other entities to be agreed), acceptable to Agents and, so long as no default or event of default has occurred and is continuing, Borrower, which acceptances shall not be unreasonably withheld or delayed; provided, however, that the approval of the Borrower shall not be required in connection with assignments to other Lenders (or to affiliates or approved funds of Lenders).

Without the consent of the Borrower or the Agents, each Lender may sell participations in all or a portion of its loans and commitments, subject to customary restrictions on the participants’ voting rights.

Amendments and Waivers:

Amendments and waivers of the provisions of the Financing Documentation will require the approval of Lenders holding Term Loans representing more than 50% of the aggregate amount of the Term Loans (the “Required Lenders”), except that in certain customary circumstances the consent of a greater percentage (or of all) the Lenders may be required.

Indemnification:

Customary indemnification provisions for the benefit of the Lenders and their related parties shall apply.

Governing Law and Forum:

New York. The Borrower will waive any right to trial by jury.
SUMMARY OF CONDITIONS PRECEDENT TO EFFECTIVENESS OF
THE TERM LOAN FACILITY

Closing and the availability of the Term Loan Facility will be subject to the satisfaction
of the following conditions precedent:

(a) Financing Documentation and Customary Closing Documentation. (i) Financing
Documentation reflecting and consistent with the terms and conditions set forth herein and otherwise
reasonably satisfactory to the Consenting Lenders, will have been executed and delivered, (ii) the Agents
will have received such customary legal opinions (including, without limitation, opinions of special
counsel and local counsel as may be reasonably requested by the Consenting Lenders), documents and
other instruments as are customary for transactions of this type, (iii) all documents, instruments, reports
and policies required to perfect or evidence the Collateral Agent’s security interest (with the relevant
priority) in, and liens on, the Collateral (including, without limitation, all certificates evidencing pledged
capital stock or membership or partnership interests, as applicable, with accompanying executed stock
powers, all UCC financing statements to be filed in the applicable government UCC filing offices, all
intellectual property security agreements to be filed with the United States Copyright Office or the United
States Patent and Trademark Office, as applicable, and all deposit account control agreements) will have
been executed and/or delivered and, to the extent applicable, be in proper form for filing (including UCC
and other lien searches, intellectual property searches, insurance policies, access letters (if material) and
environmental reports on owned real property), (iv) all governmental and third party consents and all
equityholder and board of directors (or comparable entity management body) authorizations shall have
been obtained and shall be in full force and effect, (v) other than the Chapter 11 Cases, there shall not be
any material pending or threatened litigation, bankruptcy or other proceeding, and (vi) all fees and
expenses then due.

(b) Confirmation of Plan of Reorganization. The Agreed Restructuring Plan shall
have been consummated in accordance with the terms of the Support Agreement.

(c) Information Required by Regulatory Authorities. The Loan Parties will have
provided the documentation and other information to the Lenders that is required by regulatory authorities
under applicable “know your customer” and anti-money-laundering rules and regulations, including,
without limitation, the Patriot Act.

(d) Representations and Warranties. All representations and warranties made by the
Loan Parties shall be true and correct in all material respects (unless already qualified by materiality or
material adverse effect in which case they shall be true and correct in all respects).

(e) New Revolving Credit Facility. The definitive documentation for the New
Revolving Credit Facility shall be in form and substance satisfactory to the Consenting Lenders.

(f) Minimum EBITDA. Holdings and its subsidiaries shall have minimum
Consolidated EBITDA on a twelve trailing month basis of $540,000,000.

As used herein, the term “Consolidated EBITDA” shall be defined as the
Consolidated Net Income (to be defined in the Financing Documentation) of Holdings and its
subsidiaries increased (without duplication) by the following, in each case to the extent deducted in determining Consolidated Net Income for such period:

(i) provision for taxes based on income or profits or capital, including, without limitation, state, franchise and similar taxes and foreign withholding taxes paid or accrued during such period; plus

(ii) Consolidated Interest Expense (to be defined in the Financing Documentation) for such period (including (x) net losses or any obligations under any Swap Contracts (to be defined in the Financing Documentation) or other derivative instruments entered into for the purpose of hedging interest rate risk, (y) bank fees and (z) costs of surety bonds in connection with financing activities, plus certain agreed amounts excluded from Consolidated Interest Expense); plus

(iii) Consolidated Depreciation and Amortization Expense (to be defined in the Financing Documentation) for such period and all original issue discount relating to any loan agreements or credit facilities of the Loan Parties deducted in such period; plus

(iv) (a) fees, costs, charges, commissions, operating losses, write-downs and expenses paid or reimbursed to any legal counsel or professional advisor to the Loan Parties and the other Debtors in connection with the negotiation, execution and ongoing performance of the Financing Documentation (and the transactions contemplated thereby and of the New Revolving Credit Facility and the transactions contemplated thereby) incurred during such period in connection with the Financing Documentation, the financing documentation under the New Revolving Credit Facility, the Chapter 11 Cases, the chapter 11 plan of reorganization and the transactions contemplated by any of the foregoing, and (b) costs and expenses incurred in connection with the Debtors’ operational restructuring as contemplated in the management business plan; provided that such amounts set forth in this subclause (iv) shall not exceed $107,000,000 in the aggregate when added to all amounts added back to the calculation of Consolidated EBITDA under subclause (v) below; plus

(v) the amount of management, monitoring, consulting and advisory fees and related indemnities and expenses paid in such period to the Sponsor to the extent such payment was permitted in the Borrower’s existing credit agreement; provided that such amounts set forth in this subclause (v) shall not exceed $107,000,000 in the aggregate when added to all amounts added back to the calculation of Consolidated EBITDA under subclause (iv) above; plus

(vi) non-cash charges (other than (1) amortization of a prepaid cash item that was paid and not expensed in a prior period and (2) write-downs of property, plant and equipment and other assets, (b) impairment of intangible assets, (c) losses resulting from cumulative effect of change in accounting principles, and (d) unrealized losses from foreign currency transaction costs; provided that if such non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent; minus

(vii) without duplication and to the extent included in Consolidated Net Income for such period, the sum of (i) interest income (except to the extent deducted in determining Consolidated Interest Expense), (ii) other non-cash gains increasing
Consolidated Net Income for such period (excluding any such non-cash gain to the extent it represents a reversal of an accrual or reserve for potential cash gain in any prior period) (provided, that any cash received with respect to any non-cash items of income (other than extraordinary gains) for any prior period shall be added to the computation of Consolidated EBITDA, and (iii) any other non-cash income arising from the cumulative effect of changes in accounting principles.
Exhibit C

Form Cash Collateral Order
UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK  

In re:  
CENGAGE LEARNING INC., et al.,  
Debtors.  

Case No. 13-________ (___)  
Case No. 13-________ (___)  
Case No. 13-________ (___)  
Case No. 13-________ (___)  

Chapter 11  
(Joint Administration Requested)  

INTERIM ORDER (I) AUTHORIZING THE USE 
OF CASH COLLATERAL, (II) GRANTING ADEQUATE PROTECTION TO 
PREPETITION SECURED PARTIES, AND (III) SCHEDULING A FINAL HEARING  


1. The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, include: Cengage Learning, Inc. (4491); Cengage Learning Holdings II, L.P. (5675); Cengage Learning Acquisitions, Inc. (0935); Cengage Learning Holdco, Inc. (0831). The Debtors’ service address at their corporate headquarters is 200 First Stamford Place, 4th Floor, Stamford, Connecticut 06902.

2. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.
(a) authorizing the Debtors’ use of Cash Collateral (as defined below), subject to and pursuant to the terms and conditions set forth in this Interim Order;

(b) granting adequate protection on account of the Debtors’ use of Cash Collateral and any diminution in the value of the First Lien Secured Parties’ (as defined below) and the Second Lien Secured Parties’ (as defined below) respective interests in the Prepetition Collateral (as defined below) to the (i) First Lien Secured Parties (as defined below) under (1) that certain Credit Agreement, dated as of July 5, 2007, which was subsequently amended by the Incremental Amendment, dated as of May 30, 2008, and the Amendment Agreement, dated as of April 10, 2012 (as amended, the “Credit Agreement” and, together with all related agreements and documents executed by any of the Debtors in connection with the Credit Agreement, the “Credit Agreement Documents”), by and among Cengage Learning Acquisitions, Inc., as borrower (the “Borrower”), Cengage Learning Holdings II, L.P., Cengage Learning Holdco, Inc., and Cengage Learning, Inc., as guarantors (the “Guarantors”), JPMorgan Chase Bank, N.A., as successor administrative and collateral agent (in each such capacity, the “Credit Agreement Agent”), and each of the lenders party thereto (together with the Credit Agreement Agent, the “Credit Agreement Secured Parties”); (2) that certain Indenture dated as of April 10, 2012 (as amended, the “Initial Additional First Lien Agreement” and, together with all related agreements and documents executed by any of the Debtors in connection
with the Initial Additional First Lien Agreement, the “Initial Additional First Lien Documents”) among the Borrower, the Guarantors party thereto, and The Bank of New York Mellon, as Trustee and as Collateral Agent (in such capacities, the “First Lien Notes Trustee,” and, together with each of the holders of those certain 11.5% Senior Secured Notes due 2020, the “Initial Additional First Lien Secured Parties”), and (3) (A) those two certain Rate Swap Transactions dated as of February 12, 2010 and March 4, 2010 among Cengage Learning Acquisitions, Inc. and UBS AG, London Branch (“UBS”), (B) that certain Swap Transaction dated as of April 6 2010 among Cengage Learning Acquisitions, Inc. and Citibank, N.A., New York (“Citi”), (C) that certain Transaction dated as of April 16 2010 among Cengage Learning Acquisitions, Inc. and Goldman Sachs Bank USA (“GS USA”), (D) that certain effective as of February 26, 2010 Transaction and (E) that certain Swap Transaction dated as of March 19, 2010 among Morgan Stanley Capital Services Inc. and Cengage Learning Acquisition, Inc. (the documents described in each of (A), (B), (C), (D) and (E), the “Rate Swap Transaction Documents,” and together with the Credit Agreement Documents and the Initial Additional First Lien Documents, the “First Lien Documents”) among Cengage Learning Acquisitions, Inc. and The Royal Bank of Scotland plc (together with UBS, Citi and GS USA, the “Secured Rate Swap Parties,” and together with the Initial Additional First Lien Secured Parties, the First Lien Notes Trustee, and the Credit Agreement Secured Parties, the “First Lien
Secured Parties”); and (ii) the Second Lien Secured Parties (as defined below) under that certain Indenture dated as of July 5, 2012 (as amended, the “Second Lien Agreement” and, together with all related agreements and documents executed by any of the Debtors in connection with the Second Lien Agreement, the “Second Lien Documents”, the Second Lien Documents and the First Lien Documents, collectively, the “Lien Documents”) among the Borrower, the Guarantors party thereto, and CSC Trust Company of Delaware, as successor Trustee and as Collateral Agent (in such capacities, the “Second Lien Notes Trustee,” and, together with each of the holders of those certain 12% Senior Secured Second Lien Notes due 2019, the “Second Lien Secured Parties”, the Second Lien Secured Parties and the First Lien Secured Parties, collectively, the “Secured Parties”);

(c) subject to entry of a Final Order and to the extent set forth herein, waiving the Debtors’ right to surcharge the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code;

(d) modifying the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to permit the Debtors and the Secured Parties to implement the terms of this Interim Order;

(e) waiving any applicable stay (including under Bankruptcy Rule 6004) and provision for immediate effectiveness of this Interim Order; and
(f) scheduling of a final hearing (the “Final Hearing”) on the Motion no later than [July 24, 2013] to consider entry of a Final Order granting the relief requested in the Motion on a final basis.

Upon due and sufficient notice of the Motion and the interim hearing on the Motion (the “Interim Hearing”) having been provided by the Debtors; and the Interim Hearing having been held on ____________, 2013; and after considering all the pleadings filed with this Court; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. § 1408; and upon the record made by the Debtors at the Interim Hearing; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors and all parties in interest; and after due deliberation and consideration and good and sufficient cause appearing therefor,

THE COURT FINDS AS follows:

A. Petition Date. On July 2, 2013 (the “Petition Date”), each of the Debtors filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Eastern District of New York (the “Court”). On __________, 2013, this Court entered an order approving the joint administration of the Chapter 11 Cases.

B. Debtors in Possession. The Debtors are continuing in the management and operation of their business and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.
C. **Jurisdiction and Venue.** This Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over these proceedings and over the persons and property affected hereby. Venue for the Chapter 11 Cases is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b).

D. **Debtors’ Stipulations.** Subject in all respects to all parties’ rights and defenses with respect to (i) the Disputed Collateral (as defined herein) and the limitations thereon described below in Paragraph 9 of this Interim Order and (ii) any Affiliated Lender, Affiliated Institutional Lender (each as defined in the Credit Agreement), or any affiliate of the Debtors, or any claims or obligations held by such party as described in paragraph D.g of this Interim Order, the Debtors admit, acknowledge, agree and stipulate to the following (collectively, the “Debtors’ Stipulations”):

a. **First Lien Obligations.** As of the Petition Date, the Debtors were truly and justly indebted to the First Lien Secured Parties pursuant to the First Lien Documents, without defense, counterclaim, or offset of any kind, in the aggregate principal amount of (i) (A) $3,353,842,720.49 outstanding under the Term Loan Facilities (as defined in the Credit Agreement), (B) $513,999,999.99 outstanding under the Revolving Facilities (as defined in the Credit Agreement), (C) $6,226,252.50 outstanding under L/C Borrowings (as defined in the Credit Agreement), (D) $13,300,000 outstanding under the Rate Swap Transaction Documents, and (E) $725,000,000 outstanding under the Initial Additional First Lien Agreement, plus (ii) accrued and unpaid interest with respect thereto and any additional fees, costs and expenses (including any attorneys’, financial advisors’, and other professionals’ fees and expenses that are chargeable or reimbursable under the First Lien Documents) and all other Obligations (as defined in the First Lien Documents) owing under or in connection with the First Lien
Documents (collectively, the “First Lien Obligations”). The Debtors are in default of their debts and obligations under the First Lien Documents.

b. Prepetition Liens and Prepetition Collateral. The First Lien Obligations are secured by first priority security interests in and liens on (the “Prepetition First Priority Liens”) substantially all of the Debtors’ assets including Cash Collateral as defined in section 363 of the Bankruptcy Code (the “Cash Collateral”), as more particularly described in and on the terms set forth in the First Lien Documents (collectively, the “Prepetition Collateral”), and the Obligations (as defined in the Second Lien Documents) owing under or in connection with the Second Lien Documents (collectively, the “Second Lien Obligations”, and together with the First Lien Obligations, the “Secured Obligations”) are secured by second priority security interests in and liens on (the “Prepetition Second Priority Liens”, and together with the Prepetition First Priority Liens, the “Prepetition Liens”) the Prepetition Collateral, including Cash Collateral.

c. Validity and Perfection of Prepetition First Priority Liens. The Prepetition First Priority Liens are (i) valid, binding, perfected and enforceable liens on and security interests in the Prepetition Collateral; (ii) not subject to, pursuant to the Bankruptcy Code or other applicable law, avoidance, disallowance, reduction, recharacterization, recovery, subordination, attachment, offset, counterclaim, defense, “claim” (as defined in the Bankruptcy Code), impairment or any other challenge of any kind; and (iii) subject and subordinate only to (A) the Carve-Out (as defined below) and (B) valid and enforceable liens and encumbrances in the Prepetition Collateral that were perfected prior to the Petition Date, that were made expressly senior to the applicable First Lien Secured Parties’ liens under the applicable First Lien Documents, that are valid, perfected, enforceable and non-avoidable as of the Petition Date and
that are not subject to avoidance, reduction, disallowance, disgorgement, counterclaim, surcharge, or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law ("Permitted Liens"),\(^3\) and the Debtors each irrevocably waive, for themselves and their subsidiaries and affiliates, any right to challenge or contest in any way the perfection, validation and enforceability of the Prepetition First Priority Liens or the validity or enforceability of the First Lien Obligations and the First Lien Documents.

d. **Validity of First Lien Obligations.** The First Lien Obligations constitute legal, valid and binding obligations of each of the Debtors. No offsets, defenses, or counterclaims to the First Lien Obligations exist. No portion of the First Lien Obligations is subject to set-off, avoidance, disallowance, reduction, or subordination (whether equitable, contractual or otherwise) counterclaims, cross-claims, defenses or any other challenges under or pursuant to the Bankruptcy Code or applicable non-bankruptcy law. The First Lien Documents are valid and enforceable by each of the First Lien Secured Parties, the Credit Agreement Agent and the First Lien Notes Trustee, as applicable, for the benefit of the First Lien Secured Parties against each of the applicable Debtors. The First Lien Obligations constitute allowed claims against the applicable Debtors’ estates. No claim of or cause of action held by the Debtors or their estates exists against any of the First Lien Secured Parties or their agents, whether arising under applicable state or federal law (including, without limitation, any recharacterization, subordination, avoidance, or other claims arising under or pursuant to sections 105, 510, or 542 through 553 of the Bankruptcy Code), or whether arising under or in connection with any of the First Lien Documents (or the transactions contemplated thereunder), First Lien Obligations, or

\(^3\) Nothing shall prejudice the rights of any party-in-interest including, but not limited to, the Debtors and the First Lien Secured Parties, to challenge the validity, priority, enforceability, seniority, avoidability, perfection or extent of any such liens and/or security interests.
Prepetition First Priority Liens, including without limitation, any right to assert any disgorgement or recovery.

e. **Releases by the Debtors**: Except with respect to the Disputed Collateral (as defined below), each of the Debtors and the Debtors’ estates, on its own behalf and on behalf of its past, present and future predecessors, successors, heirs, subsidiaries, and assigns (collectively, the “Releasors”) shall to the maximum extent permitted by applicable law, unconditionally, irrevocably and fully forever release, remise, acquit, relinquish, irrevocably waive and discharge each of the First Lien Secured Parties (other than any Affiliated Lender or Affiliated Institutional Lender (each as defined in the Credit Agreement), or any affiliate of the Debtors) and each of their respective former, current, or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest (collectively, the “Releasees”) of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, rights, assertions, allegations, actions, suits, controversies, proceedings, losses, damages, injuries, attorneys’ fees, costs, expenses, or judgments of every type, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending, or threatened including, without limitation, all legal and equitable theories of recovery, arising under common law, statute or regulation or by contract, of every nature and description that exist on the date hereof relating to any of the First Lien Documents, or the transactions contemplated under such documents, including, without limitation, (i) any so-called “lender liability” or equitable subordination claims or defenses, (ii) any and all claims and causes of action arising under title 11 of the United States Code, and (iii) any and all claims and causes of action regarding the
validity, priority, perfection or avoidability of the liens or claims of the First Lien Secured Parties. The Debtors’ acknowledgment and stipulations, and releases shall be binding on the Debtors and their respective representatives, successors and assigns and, subject to any action timely commenced by a Committee before the Investigation Termination Date (as defined below), on each of the Debtors’ estates, all creditors thereof and each of their respective representatives, successors and assigns, including, without limitation, any trustee or other representative appointed in these Chapter 11 Cases, whether such trustee or representative is appointed in chapter 11 or chapter 7.

f. **Disputed Collateral.** Notwithstanding anything to the contrary contained herein, the Debtors do not stipulate that the First Lien Secured Parties or the Second Lien Secured Parties have valid, binding, perfected, enforceable, and non-avoidable liens on and security interests in: (i) the Debtors’ investment in the Federated Treasury Obligations Fund, TOIXX Fund No. 68 (the “Treasury Fund”) as of the Petition Date (until such time as such investment is ultimately determined by final non-appealable Order of the Court (or another court of competent jurisdiction) to be Unencumbered Cash or Cash Collateral, the “Disputed Cash”); and (ii) all copyrights registered by the Debtors with the United States Copyright Office after July 5, 2012 and before the Petition Date, and perfected prepetition within the 90 days prior to the Petition Date (the “Disputed Copyrights,” and together with the Disputed Cash, the “Disputed Collateral”). The First Lien Secured Parties and the Debtors each reserve all rights, claims, and defenses with respect to the Disputed Collateral. Unless otherwise ordered by the Court, on subsequent notice and a hearing, the Debtors retain standing to bring any claims relating to Disputed Collateral on behalf of the Debtors’ estates.
g. **Affiliated Lender.** Notwithstanding anything to the contrary contained herein, (i) the Debtors’ Stipulations, including any acknowledgements, agreements, stipulations, or releases contained in this paragraph D, shall not apply to any Affiliated Lender, Affiliated Institutional Lender (each as defined in the Credit Agreement), or any affiliate of the Debtors, or any claims or obligations held by such party, (ii) the Debtors and all other parties in interest reserve all rights, claims, and defenses with respect thereto and (iii) unless otherwise ordered by the Court, on subsequent notice and a hearing, the Debtors retain standing to bring any claims against such parties on behalf of the Debtors’ estates. Nothing in this Order shall be deemed an admission, finding or determination that there exists any claims or causes of action by the Debtors or any such party against any Affiliated Lender or Affiliated Institutional Lender and nothing in this Order (including, without limitations, any releases granted in this Order) shall be deemed to prejudice, waive or release the rights, claims, privileges and defenses of any Affiliated Lender or Affiliated Institutional Lender against or with respect to the Debtors or any party, including (without limitation) any under the First Lien Documents, the Second Lien Documents or otherwise

E. **Approved Budget.** Attached hereto as Exhibit A is a 13-week cash flow forecast setting forth all projected cash receipts and cash disbursements on a weekly basis (the “Approved Budget”). The Approved Budget is an integral part of this Interim Order and has been relied upon by the First Lien Secured Parties in consenting to this Interim Order and to permit the use of the Cash Collateral. The Debtors represent and warrant to the First Lien Secured Parties and this Court that the Approved Budget includes and contains the Debtors’ best estimate of all operational receipts and all operational disbursements, fees, costs, and other expenses that will be payable, incurred and/or accrued by any of the Debtors during the period covered by the
Approved Budget and that such operational disbursements, fees, costs, and other expenses will be timely paid in the ordinary course of business pursuant to and in accordance with the Approved Budget unless such operational disbursements, fees, costs, and other expenses are not incurred or otherwise payable. The Debtors further represent that the Approved Budget is achievable and will allow the Debtors to operate in the Chapter 11 Cases and pay postpetition administrative expenses as they come due. The Debtors shall be required to provide to the advisors of that certain ad hoc group of First Lien Secured Parties (the “First Lien Group”) and advisors to the Credit Agreement Agent, a Budget Variance Report (as defined below) in accordance with the provisions of paragraph 6L.c of this Interim Order.

F. Use of Cash Collateral. An immediate and critical need exists for the Debtors to use the Cash Collateral for (i) working capital purposes; (ii) other general corporate purposes of the Debtors; and (iii) subject to the Final Hearing and entry of the Final Order, the satisfaction of the costs and expenses of administering the Chapter 11 Cases, provided that the Debtors shall be required to satisfy (and shall be deemed to have satisfied) any costs and expenses incurred pursuant to sub-clause (iii) first from unencumbered cash (which shall include, solely for the waterfall purposes set forth in this Interim Order, any cash encumbered solely by Adequate Protection Liens (as defined below)), including any Disputed Cash that is ultimately determined by final non-appealable order of the Court (or another court of competent jurisdiction) to be unencumbered (collectively, the “Unencumbered Cash”), second from Disputed Cash and third from Cash Collateral so as to avoid immediate and irreparable harm to their estates and the value of their assets.

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4 Without affecting the waterfall provisions set forth herein, and to the extent there is no readily identifiable Unencumbered Cash available, the costs of administering the estate may be paid from the Treasury Fund; provided that such costs shall be deemed to have been first satisfied from, in accordance with the waterfall provisions hereof, any Unencumbered Cash that may ultimately be determined to exist by final, non-appealable order of the Bankruptcy Court (or other court of competent jurisdiction).
G. **Consent by First Lien Secured Parties.** The Collateral Agents (as defined below) and First Lien Group (as defined below) have consented to, conditioned on the entry of this Interim Order, the Debtors’ proposed use of Cash Collateral, on the terms and conditions set forth in this Interim Order, and such consent is binding on all First Lien Secured Parties.

H. **Adequate Protection.** The adequate protection provided to the Secured Parties, as set forth more fully in paragraph 6 of this Interim Order, for any diminution in the value of the Secured Parties’ interest in the Prepetition Collateral from and after the Petition Date resulting from the imposition of the automatic stay pursuant to section 362(a) of the Bankruptcy Code, the use, sale, or lease of the Cash Collateral under section 363 of the Bankruptcy Code, or the liens and security interests granted in respect of the Intercompany Loan (as defined below) is consistent with and authorized by the Bankruptcy Code and is offered by the Debtors to protect such parties’ interests in the Prepetition Collateral in accordance with sections 361, 362, 363 and 364 of the Bankruptcy Code. The adequate protection provided herein and other benefits and privileges contained herein are necessary in order to (i) protect the Secured Parties from the diminution of their respective interests in the value of their Prepetition Collateral and (ii) obtain the foregoing consents and agreements.

I. **Good Cause Shown; Best Interest.** The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(b)(2) and E.D.N.Y. Local Bankruptcy Rule 4001-5. Absent entry of this Interim Order, the Debtors’ businesses, properties, and estates will be immediately and irreparably harmed. This Court concludes that good cause has been shown and entry of this Interim Order is in the best interests of the Debtors’ respective estates and creditors as its implementation will, among other things, allow for the continued operation of
the Debtors’ existing businesses and enhance the Debtors’ prospects for a successful
reorganization.

J. **No Liability to Third Parties.** The Debtors stipulate and the Court finds that in
permitting the Debtors to use the Cash Collateral, or in taking any other actions permitted by this
Interim Order, none of the Secured Parties shall (i) have liability to any third party or be deemed
to be in control of the operation of any of the Debtors or to be acting as a “controlling person,”
“responsible person,” or “owner or operator” with respect to the operation or management of any
of the Debtors (as such term, or any similar terms, are used in the Internal Revenue Code, the
United States Comprehensive Environmental Response, Compensation and Liability Act, as
amended, or any other Federal or state statute) or (ii) owe any fiduciary duty to any of the
Debtors, their creditors or estates, or shall constitute or be deemed to constitute a joint venture or
partnership with any of the Debtors.

K. **Section 552(b).** Each of the First Lien Secured Parties shall be entitled to all of
the rights and benefits of section 552(b) of the Bankruptcy Code. Subject to the Final Hearing
and entry of the Final Order, the “equities of the case” exception under section 552(b) of the
Bankruptcy Code shall not apply to the First Lien Secured Parties with respect to proceeds,
product, offspring, or profits with respect to any of the Collateral; provided, however that the
Debtors and all parties in interest reserve the right to argue for a carve-out from the First Lien
Secured Parties’ collateral pursuant to the “equities of the case” exception under section 552(b)
of the Bankruptcy Code based on and in an amount equal to the depletion (after giving effect to
the Restored Cash Amount (as defined below)) of the Disputed Cash that is ultimately
determined by final non-appealable Order of the Court (or another court of competent
jurisdiction) to be Unencumbered Cash, and the First Lien Secured Parties reserve all rights, defenses and counterclaims with respect thereto.

L. **Notice.** The Interim Hearing is being held pursuant to the authorization of Bankruptcy Rule 4001 and E.D.N.Y. Local Bankruptcy Rule 4001-5. Notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors, whether by facsimile, electronic mail, overnight courier, or hand delivery, on July 2, 2013, to certain parties-in-interest, including: (a) the U.S. Trustee, (b) the 30 largest non-insider unsecured creditors of the Debtors on a consolidated basis, (c) the Credit Agreement Agent, (d) Davis Polk & Wardwell LLP, as counsel to the Credit Agreement Agent, (e) the First Lien Notes Trustee, (f) Katten Muchin Rosenman LLP, as counsel to the First Lien Notes Trustee, (g) Milbank, Tweed, Hadley & McCloy LLP, as counsel to the First Lien Group (as defined below), (h) the indenture trustees under the Debtors’ prepetition senior unsecured notes, senior PIK notes, and senior subordinated discount notes; (i) the Internal Revenue Service and (j) the United States Attorney for the Eastern District of New York. Under the circumstances, such notice of the Motion, the relief requested therein and the Interim Hearing complies with Bankruptcy Rules 4001(b), (c), and (d), the E.D.N.Y. Local Bankruptcy Rules, and the Financing Guidelines.

Based upon the foregoing, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. **Approval of Interim Order.** The Motion is approved on the terms and conditions set forth in this Interim Order. Any objections that have not previously been withdrawn are hereby overruled. This Interim Order shall become effective immediately upon its entry.
2. **Authorization to Use Cash Collateral.** Pursuant to this Interim Order, the Debtors are authorized on an interim basis, subject to entry of a Final Order, to use Cash Collateral for (i) working capital purposes; (ii) other general corporate purposes of the Debtors; and (iii) subject to the Final Hearing and entry of the Final Order, the satisfaction of the costs and expenses of administering the Chapter 11 Cases, provided that the Debtors shall be required to satisfy (and shall be deemed to have satisfied) any costs and expenses incurred pursuant to sub-clause (iii) first from Unencumbered Cash, second from Disputed Cash and third from Cash Collateral, in each case in accordance with the Approved Budget (subject to permitted variances) through and including the Termination Date (as defined below) (the “Cash Collateral Period”).

To the extent that Cash Collateral of any Debtor is used by another Debtor, the Debtor funding such use shall have an allowed superpriority claim junior in priority only to the claims of the Secured Parties, including those set forth herein. Moreover, to the extent that Cash Collateral (including, for the avoidance of doubt, any Disputed Collateral that is determined by order of the Court to be Cash Collateral) of any Debtor is used by an affiliate that is not a Debtor to fund operations, such intercompany transfer shall be, in accordance with the Approved Budget and evidenced through the issuance of a first priority senior secured promissory note or by other means sufficient to provide the Debtor with a valid and enforceable secured claim against the recipient of such funds; provided, however, that any such intercompany transfer to The Hampton Brown Company LLC shall be made in the ordinary course of business in accordance with the Approved Budget; provided, further, however, that any such transfers to The Hampton Brown Company LLC shall not exceed two million dollars ($2,000,000). The Debtors shall segregate (or hereby shall be deemed to have segregated) Cash Collateral (including, for the avoidance of doubt, any Disputed Cash that is ultimately determined by order of the Court to be Cash
Collateral) and continuously track (or hereby shall be deemed to have continuously tracked) the
deposit and use of all such collateral in a manner that satisfies (and hereby is deemed to satisfy)
any requirement that the Secured Parties trace such collateral in accordance with any provisions
of the Uniform Commercial Code, the Bankruptcy Code, or other applicable law.

3. **Refund of Prepetition Principal Payments.** Within five days after the
Investigation Termination Date, the Debtors shall refund $8,883,986.42 from Cash Collateral to
the Treasury Fund, which amount reflects the Debtors’ prepetition principal payments due and
payable on June 28, 2013 on account of the Term Loan Facilities (as defined in the Credit
Agreement), to the extent that no Claims and Defenses (as defined below) have been brought
with respect thereto.

4. **Replacement of Disputed Cash Used For Operations Postpetition.** To the
extent the Debtors are required to transfer Disputed Cash to an account that is subject to the
Secured Parties’ liens (an “Encumbered Cash Account”) on account of projected postpetition
operational expenses, any such advance shall be senior to any and all prepetition liens and
security interests of the Secured Parties, but junior in priority to the Adequate Protection Liens
(as defined herein); provided, however, that no more than $25 million, in the aggregate, shall be
transferred on account of such expenses. To the extent that the funds transferred to the
Encumbered Cash Account are not needed to fund projected postpetition operational expenses,
the Debtors will restore any such amount to the Treasury Fund as soon as practicable (the
“Restored Cash Amount”). To the extent the Debtors are required to transfer any cash from the
Encumbered Cash Account to Cengage Leaning, Inc. on account of realized postpetition
operational expenses, the Debtors will reflect such transfer from the Encumbered Cash Account
with a secured loan from Cengage Learning Acquisitions, Inc. to Cengage Learning, Inc. (the
“Intercompany Loan”). The Intercompany Loan shall be senior to any and all prepetition liens and security interests of the Secured Parties, but junior in priority to the Adequate Protection Liens (as defined herein). Upon receipt of sufficient Cash Collateral, the Intercompany Loan will be repaid (the “Loan Repayment”) and restored to the Treasury Fund as soon as practicable. The Restored Cash Amount and the Loan Repayment will be deemed “Disputed Cash” under this Interim Order, unless and until, and solely to the extent that such Disputed Cash is ultimately determined by final non-appealable Order of the Court (or another court of competent jurisdiction) to be Unencumbered Cash or Cash Collateral. Notwithstanding anything herein to the contrary, to the extent that the Debtors use Disputed Cash to fund operations postpetition (including for working capital or other general corporate purposes) and do restore such amounts to the Treasury Fund pursuant to this paragraph 4, the Debtors and all parties in interest shall be deemed to have waived any right to assert, under section 552 of the Bankruptcy Code or otherwise, that the proceeds, product, offspring, or profits thereof are not subject to the Secured Parties’ liens or proceeds of the Secured Parties’ liens (including, in each case, any Adequate Protection Liens (as defined below)).

5. Termination Event. Notwithstanding anything contained herein, the authority for use of Cash Collateral shall terminate (the “Termination Date”) upon the earlier to occur of (i) the date that is 135 day after the Petition Date, (ii) three days after notice of the date upon which any Event of Default (as defined below) occurs and is continuing, (iii) the date that any Debtor or any other party in interest with proper standing granted by order of the Court (or another court of competent jurisdiction) asserts, in a pleading filed with the Court (or another court of competent jurisdiction), a claim or challenge against any of the Secured Parties contrary to the Debtors’ acknowledgements, stipulations and releases contained herein; and (iv) the date
that any Debtor shall file a motion seeking any modification or extension of this Interim Order without the prior written consent of the Credit Agreement Agent and the holders of a sixty-six and two-thirds of the First Lien Obligations held by the members of First Lien Group (the “Requisite First Lien Lenders”). For the avoidance of doubt, the authority for the use of Cash Collateral shall not terminate if the Debtors assert a claim or challenge against any of the Secured Parties with respect to any liens or security interests in the Disputed Collateral, and the Debtors expressly retain the right to assert such a claim or challenge with respect to such Disputed Collateral, and the Secured Parties expressly reserve their rights, objections and defenses with respect to any such claim or challenge brought by the Debtors or any other party.

6. Secured Parties’ Adequate Protection. The Secured Parties are entitled pursuant to sections 361, 363(c) and 364 of the Bankruptcy Code to adequate protection of their interests in the Prepetition Collateral (including Cash Collateral) to the extent of any diminution in the value of the Secured Parties’ interest in the Prepetition Collateral from and after the Petition Date in any way resulting from the imposition of the automatic stay pursuant to section 362(a) of the Bankruptcy Code, the use, sale, or lease of the Cash Collateral under section 363 of the Bankruptcy Code or the liens and security interests granted in respect of the Intercompany Loan. The Credit Agreement Agent and the First Lien Notes Trustee (collectively, the “Collateral Agents”), in each case, on behalf of itself and for the benefit of each of the respective First Lien Secured Parties, and the Second Lien Notes Trustee, on behalf of itself and for the benefit of each of the Second Lien Secured Parties, are hereby granted, to the extent of any diminution in value of their interests in the Prepetition Collateral from and after the Petition Date, the following (collectively, the “Prepetition Adequate Protection Obligations”):
a. **Adequate Protection Liens.** Valid, binding, enforceable and perfected security interests in and liens upon (the “Adequate Protection Liens”) all property, whether now owned or hereafter acquired or existing and wherever located, of each Debtor and each Debtor’s “estate” (as created pursuant to section 541(a) of the Bankruptcy Code), property of any kind or nature whatsoever, real or personal, tangible or intangible, and now existing or hereafter acquired or created, including, without limitation, all cash, accounts, inventory, goods, contract rights, instruments, documents, chattel paper, patents, trademarks, copyrights, and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, contracts, owned real estate, real property leaseholds, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, machinery and equipment, real property, leases (and proceeds from the disposition thereof), all of the issued and outstanding capital stock of each Debtor, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries (including the Debtors’ equity interests comprising 35% of the non-Debtor international subsidiaries to the extent there are no material adverse tax consequences as reasonably determined by the Debtors, the Credit Agreement Agent and the Requisite First Lien Lenders), money, investment property, and causes of action (including causes of action arising under section 549 of the Bankruptcy Code and any related action under section 550 of the Bankruptcy Code) and subject to entry of the Final Order, the proceeds of any causes of action under sections 502(d), 544, 545, 547, 548, 550 (except as provided above) or 553 of the Bankruptcy Code (the “Avoidance Actions”), Cash Collateral, and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of any of the collateral described above, documents, vehicles, intellectual property,
securities, partnership or membership interests in limited liability companies and capital stock, including, without limitation, the products, proceeds and supporting obligations thereof, whether in existence on the Petition Date or thereafter created, acquired, or arising and wherever located (all such property, other than the Prepetition Collateral in existence immediately prior to the Petition Date, being collectively referred to as, the “Postpetition Collateral” and collectively with the Prepetition Collateral, the “Collateral”), which liens and security interests shall be senior to any and all others liens and security interests, but subject to (A) the Carve Out (as defined below) and (B) Permitted Liens; provided, however, that, other than in respect of any Adequate Protection Lien granted on or Superpriority Claim payable from the proceeds of any Avoidance Action, no particular Secured Party shall be entitled to any recovery (other than in respect of any such Secured Party’s unsecured claim) from any proceeds of a successful Avoidance Action against such Secured Party. The Adequate Protection Liens granted to the Credit Agreement Agent and the First Lien Notes Trustee (collectively, the “First Priority Adequate Protection Liens”) shall be pari passu with one another, and the Adequate Protection Liens granted to the Second Lien Notes Trustee shall be junior and subordinate to the First Priority Adequate Protection Liens as provided in that certain Second Lien Intercreditor Agreement dated as of July 5, 2012 among Cengage Learning Acquisitions, Inc. (f/k/a TL Acquisitions, Inc.), as Borrower, Cengage Learning Holdco, Inc. (f/k/a TL US Holdco, Inc.), as Holdings, Cengage Learning Holdings II, L.P. (f/k/a TL Holdings II L.P.), as Parent, JPMorgan Chase Bank, N.A, as Senior Representative for the Credit Agreement Secured Parties, The Bank of New York Mellon, as Representative for the Initial Second Priority Debt Parties, The Bank of New York Mellon, as Representative for the Additional Senior Debt Parties under the 11.5% Senior Secured Notes Indenture, and each additional Representative from time to time party thereto. For the avoidance
of doubt, such Adequate Protection Liens shall be deemed to be effective and perfected automatically as of the Petition Date and without the necessity of the execution by the Debtors, or the filing of, as applicable, mortgages, security agreements, pledge agreements, financing statements, state or federal notices, recordings (including, without limitation, any recordings with the United States Copyright Office) or other agreements and without the necessity of taking possession or control of any Collateral. Except as otherwise provided herein, under no circumstances shall the Adequate Protection Liens be made subordinate to the lien of any other party, no matter when arising. Notwithstanding anything to the contrary contained herein, the First Lien Secured Parties reserve all of their rights to assert claims pursuant to section 507(b) of the Bankruptcy Code.

b. **Superpriority Claims.** An allowed superpriority administrative expense claim pursuant to sections 503(b), 507(a) and 507(b) of the Bankruptcy Code as provided for in section 507(b) of the Bankruptcy Code (the “Superpriority Claim”). The Superpriority Claim shall be subject only to the Carve-Out, and shall be an allowed claim against each of the Debtors (jointly and severally) with priority over any and all administrative expenses and all other claims against the Debtors now existing or hereafter arising, of any kind whatsoever, including, without limitation, all other administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all other administrative expenses or other claims arising under any other provision of the Bankruptcy Code, including, without limitation, sections 105, 326, 327, 328, 330, 331, 503(b), 507(a), 507(b), or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment. The Superpriority Claim, subject to entry of the Final Order to the extent provided therein, shall be payable from and have recourse to the
proceeds of the Avoidance Actions; provided, however, that, other than in respect of any Adequate Protection Lien granted on or Superpriority Claim payable from the proceeds of any Avoidance Action, no particular Secured Party shall be entitled to assert a Superpriority Claim against any proceeds of a successful Avoidance Action against such Secured Party (other than in respect of any such Secured Party’s unsecured claim). The Superpriority Claim granted to the Credit Agreement Agent and the First Lien Notes Trustee (collectively, the “First Priority Superpriority Claims”) shall be pari passu with one another, and the Superpriority Claim granted to the Second Lien Notes Trustee shall be immediately junior to the First Priority Superpriority Claims. The allowed Superpriority Claim also shall be payable from and have recourse to all unencumbered pre- and post-petition property of the Debtors. Other than the Carve-Out, no cost or expense of administration under sections 105, 503 or 507 of the Bankruptcy Code or otherwise, including any such cost or expense resulting from or arising after the conversion of any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code, shall be senior to, or pari passu with, the First Priority Superpriority Claims.

c. Fees and Expenses. Within five (5) days of receipt of invoices therefor, payment, without further order of, or application to, the Bankruptcy Court or notice to any party, of all outstanding prepetition and all postpetition (a) reasonable and documented fees and expenses incurred by the First Lien Group, including, without limitation, the reasonable and documented fees and expenses incurred by Milbank Tweed, Hadley & McCloy LLP, as counsel to the First Lien Group, and Houlihan Lokey Capital, Inc., as financial advisors to the First Lien Group and (b) reasonable and documented fees and expenses incurred by the Credit Agreement Agent, including, without limitation, the reasonable and documented fees and expenses incurred by Davis Polk & Wardwell LLP, as counsel to the Credit Agreement Agent, and Blackstone
Advisory Partners L.P., as financial advisors to the Credit Agreement Agent and (c) reasonable and documented fees and expenses of the First Lien Notes Trustee, including, without limitation, the reasonable and documented fees and expenses incurred by Katten Muchin Rosenman LLP, as counsel to the First Lien Notes Trustee; provided, however, that all such fees and expenses provided for in this paragraph 6c shall be satisfied solely from Cash Collateral; provided; further, that such invoices shall also be provided to the United States Trustee on five (5) days notice.

d. Reporting and Budget Compliance. The Debtors shall comply with the Approved Budget, the initial version of which is attached hereto as Exhibit A (the “Initial Approved Budget”). Every four weeks, the Debtors shall deliver an updated budget for the following 13-week period (each a “Proposed Budget”) (with the first Proposed Budget to be delivered during the week of July 22, 2013) to the advisors to the Credit Agreement Agent and the advisors to the First Lien Group on a professional eyes’ only basis; provided, that the Proposed Budget may be shared with Credit Agreement Agent. Every week (beginning with the first full week after the Petition Date), on the third business day of such week, the Debtors shall deliver to the advisors to the Credit Agreement Agent and the advisors to the First Lien Group, on a professional eyes’ only basis, a weekly variance report from the previous week comparing the actual cash receipts and disbursements of the Debtors with the receipts and disbursements in the Approved Budget (the “Budget Variance Report”); provided, that the Budget Variance Report may be shared with the Credit Agreement Agent. The Debtors shall ensure that at no time shall any of the following occur: (i) an unfavorable variance by the lesser of (x) $30 million or (y) 20% or more from the “Total Receipts” line item in the Approved Budget, tested every other week on a cumulative rolling four (4) week basis; (to begin on the fifth week); (ii) an unfavorable variance by 15% or more from the “Total Disbursements”, tested every other week.
on a cumulative rolling four (4) week basis (such cumulative rolling basis to begin on the fifth week), provided, that, “Total Disbursements” shall include any disbursements made by the Debtors (including, but not limited to, any payments, expenditures or advances) other than (a) professional fees and expenses related to adequate protection and (b) professional fees and expenses relating to administration of these Chapter 11 Cases. The Initial Approved Budget will be the first Approved Budget for reporting and permitted variance purposes. Each Proposed Budget provided to the advisors to the Credit Agreement Agent and the advisors to the First Lien Group shall be of no force and effect unless and until it is approved by the such advisors and until such approval is given, the prior Approved Budget shall remain in effect. The advisors to the Credit Agreement Agent and the advisors to the First Lien Group shall approve or reject each Proposed Budget within one week after delivery by the Debtors to such parties (and such parties shall be deemed to have approved the Proposed Budget upon the passage of one week with no objection by either such party). Any such Proposed Budget, upon the approval of the advisors to the Credit Agreement Agent and the advisors to the First Lien Group shall become, as of the date of such approval and for the period of time covered thereby, the Approved Budget, and shall prospectively replace any prior Approved Budget, and the summary of such Approved Budget, substantially in the form of Exhibit A hereto shall be made public.

e. Access to Records. In addition to, and without limiting, whatever rights to access the First Lien Secured Parties have under their respective First Lien Documents, upon reasonable notice, at reasonable times during normal business hours, the Debtors shall permit representatives, agents, and employees of the First Lien Secured Parties (i) to have access to and inspect the Debtors’ properties, (ii) to examine the Debtors’ books and records, and (iii) to
discuss the Debtors’ affairs, finances, and condition with the Debtors’ officers and financial advisors.

f. **Right to Seek Additional Adequate Protection.** This Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the rights of the First Lien Secured Parties to request additional forms of adequate protection at any time or the rights of the Debtors or any other party to contest such request.

7. **Events of Default.** The occurrence of any of the following events shall constitute an event of default (collectively, the “Events of Default”):

   a. termination of the prepetition restructuring support agreement entered into by the First Lien Group and the Credit Agreement Agent dated as of July 2, 2013 (the “Restructuring Support Agreement”);

   b. the Debtors shall not have filed with the Court a plan of reorganization in form and substance consistent with the Restructuring Support Agreement and acceptable to the Credit Agreement Agent and the Requisite First Lien Lenders (the “Plan”) and a disclosure statement in form and substance acceptable to the Credit Agreement Agent and the Requisite First Lien Lenders with respect thereto (the “Disclosure Statement”) on or before 45 days following the Petition Date;

   c. the Plan shall not have been confirmed pursuant to an order of the Court in form and substance acceptable to the Credit Agreement Agent and the Requisite First Lien Lenders and consummated within 135 days of the Petition Date;

   d. the Court shall have failed to have entered the Final Order in form and substance acceptable to the Credit Agreement Agent and the Requisite First Lien Lenders within 30 days of the Petition Date;
e. the Court shall have entered an order dismissing any of the Chapter 11 Cases;

f. the Court shall have entered an order converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

g. the Court shall have entered an order appointing a chapter 11 trustee, responsible officer, or any examiner with enlarged powers relating to the operation of the businesses in the Chapter 11 Cases, unless consented to in writing by the Credit Agreement Agent and the Requisite First Lien Lenders; provided, however, that nothing herein shall preclude any party from seeking to appoint an examiner;

h. the Court shall have entered an order granting relief from the automatic stay to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or the like) on any of the Debtors’ assets which have an aggregate value in excess of $50,000,000;

i. the Court shall have entered an order (i) reversing, amending, supplementing, vacating, or otherwise modifying this Interim Order without the consent of the Credit Agreement Agent and the Requisite First Lien Lenders or (ii) avoiding or requiring repayment of any portion of the payments made pursuant to the terms hereof;

j. five days after notice provided by, as applicable, the Credit Agreement Agent, the First Lien Notes Trustee or the affected First Lien Secured Party that the Debtors have failed to make any payment to any First Lien Secured Party when due under the terms hereof;
k. five days after notice provided by the Credit Agreement Agent or
the First Lien Group that the Debtors have failed to comply with the Approved Budget
(including any variance) or any other material terms hereof;

l. the Debtors shall have filed a motion seeking to create any
postpetition liens or security interests other that those granted or permitted pursuant hereto; and

m. the Debtors lose the exclusive right to file and solicit acceptances
of a plan of reorganization; or

n. (i) the Debtors shall withdraw or revoke the Plan, or file, propound
or otherwise support any plan of reorganization other than the Plan (as it may be amended in
accordance with the Restructuring Support Agreement), or lose the exclusive right to file and
solicit acceptances of a plan of reorganization or (ii) other creditors of the Debtors shall file a
plan of reorganization other than the Plan (as it may be amended in accordance with the
Restructuring Support Agreement).

Event of Default and following the giving of seven (7) days’ notice to the Debtors, the United
States Trustee and the Committee (the “Notice Period”), the First Lien Secured Parties may
exercise the remedies available to them under this Interim Order and applicable non-bankruptcy
law, including but not limited to revoking the Debtors’ right, if any, to use Cash Collateral and
collecting and applying any proceeds of the Collateral in accordance with the terms of this
Interim Order and the Lien Documents. Unless the Court orders otherwise during the Notice
Period, the automatic stay pursuant to section 362 of the Bankruptcy Code shall be automatically
terminated at the end of the Notice Period, without further notice or order of the Court and the
First Lien Secured Parties shall be permitted to exercise all rights and remedies set forth in this
Interim Order, the First Lien Documents, and as otherwise available at law without further order or application or motion to the Court, and without restriction or restraint by any stay under section 362 or 105 of the Bankruptcy Code. Notwithstanding anything herein to the contrary, the automatic stay pursuant to section 362 of the Bankruptcy Code shall be automatically terminated for the purposes of giving any notice contemplated hereunder, under any of the Lien Documents or under the Restructuring Support Agreement by the Credit Collateral Agent or the First Lien Secured Parties.

9. **Effect of Stipulations on Third Parties.** The stipulations and admissions contained in this Interim Order, including, without limitation, in paragraph D of this Interim Order, shall be binding upon the Debtors and their affiliates and any of their respective successors (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for the Debtor) in all circumstances. The stipulations and admissions contained in this Interim Order, including, without limitation, in paragraph D of this Interim Order, shall be binding upon all other parties in interest, including, without limitation, any committee appointed in these Chapter 11 Cases and any other person or entity acting on behalf of the Debtors’ estate, unless and except to the extent that, upon three (3) days’ prior written notice to the Debtors, the Collateral Agents and the First Lien Group, (i) a party in interest with proper standing granted by order of the Court (or another court of competent jurisdiction) has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including, *inter alia*, in paragraph 12) by no later than the date that is the earlier of 75 days from the entry of this Interim Order or 60 days from the date of formation of any official committee of unsecured creditors (the “Committee”) or such later date (x) as has been agreed to, in writing, by the Credit Agreement Agent and the Requisite First Lien Lenders in their sole discretion or (y) as has been
ordered by the Court (the “Investigation Termination Date”), (ii) challenging the validity, enforceability, priority or extent of the First Lien Obligations or (iii) otherwise asserting or prosecuting any action for preferences, fraudulent transfers or conveyances, other avoidance power claims or any other claims, counterclaims or causes of action, objections, contests or defenses to the extent released by the Debtors under paragraph D (collectively, “Claims and Defenses”) against any of the First Lien Secured Parties or their affiliates, representatives, attorneys or advisors in connection with matters related to the Lien Documents or the Prepetition Collateral, and (iv) there is a final order in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter; provided that any challenge or claim shall set forth with specificity the basis for such challenge or claim and any challenges or claims not so specified prior to the expiration of the Investigation Termination Date shall be forever deemed waived, released and barred. If no such adversary proceeding or contested matter is timely filed, (x) the First Lien Obligations shall constitute allowed claims, not subject to counterclaim, setoff, recoupment, reduction, subordination, recharacterization, defense or avoidance, for all purposes in the Case and any subsequent chapter 7 case, (y) the liens and security interests securing the First Lien Obligations shall be deemed to have been, as of the Petition Date, legal, valid, binding and perfected, not subject to recharacterization, subordination or avoidance, (z) the First Lien Obligations, the liens and security interests securing the First Lien Obligations, and the First Lien Secured Parties shall not be subject to any other or further challenge by any party in interest seeking to exercise the rights of any Debtor’s estate, including, without limitation any successor thereto (including, without limitation, any chapter 7 or 11 trustee appointed or elected for the Debtor). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in paragraph D of this Interim
Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any committee appointed in this Case and on any other person or entity, except to the extent that such findings and admissions were expressly challenged in such adversary proceeding or contested matter prior to the Investigation Termination Date. Nothing in this Interim Order vests or confers on any Person (as defined in the Bankruptcy Code), including any committee appointed in this Case, standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, Claims and Defenses with respect to the First Lien Documents or the First Lien Obligations, and an order of the Court conferring such standing on the Committee or other party-in-interest shall be a prerequisite for the prosecution of a Challenge by the Committee or such other party-in-interest. Nothing in this paragraph 9 shall or shall be deemed to release or benefit any Affiliated Lender or any Affiliated Institutional Lender or any affiliate of the Debtors.

10. **Carve-Out.** The liens, security interests, and superpriority claims granted herein, including the Adequate Protection Liens, any Superpriority Claims, the Prepetition Liens, and any other liens, claims, or interest of any person, shall be subject and subordinate to the Carve-Out. “**Carve-Out**” shall mean, upon the Termination Date, the sum of (i) all fees required to be paid to the clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) fees and expenses of up to $25,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order or otherwise, all unpaid fees, costs and expenses (the “**Professional Fees**”) incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the
Bankruptcy Code or any statutory committee appointed in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (collectively, the “Professional Persons”), before or on the date of delivery by the Credit Agreement Agent of a Carve-Out Trigger Notice (as defined below), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice (the “Pre-Trigger Date Fees”); and (iv) after the date of delivery of the Carve-Out Trigger Notice (the “Trigger Date”), to the extent incurred after the Trigger Date allowed at any time thereafter, whether by interim order, procedural order or otherwise, the payment of Professional Fees of Professional Persons in an aggregate amount not to exceed $4,000,000, (the amount set forth in this clause (iv) being the “Post-Carve Out Trigger Notice Cap”); provided, however, that the Post-Carve Out Trigger Notice Cap shall be reduced dollar for dollar by the amount of any Unencumbered Cash in the Carve-Out Reserve (as defined below). For purposes of the foregoing, “Carve-Out Trigger Notice” shall mean notice by the Credit Agreement Agent to the Debtors, its lead counsel, the United States Trustee, and lead counsel for any committee appointed in the Chapter 11 Cases, delivered upon the occurrence of a Termination Date under the Interim Order, stating that the Post-Carve Out Trigger Notice Cap has been invoked. For the avoidance of doubt and notwithstanding anything to the contrary herein or in any prepetition loan or financing documents, the Carve-Out shall be senior to all liens and claims, including the Adequate Protection Liens, any Superpriority Claims, the Prepetition Liens, and any other liens, claims, or interest of any person. On the day on which a Carve-Out Trigger Notice is given to the Debtors, such Carve-Out Trigger Notice also shall constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an aggregate amount equal to the accrued and unpaid Pre-Trigger Date Fees, and the Debtors shall deposit and hold any such amounts in a segregated account in trust for the
Professional Persons (the “Carve-Out Reserve”) (it being understood that the Secured Parties shall have a lien and security interest in any residual amount of such segregated account). After the Carve-Out Reserve has been fully funded, the Debtors may escrow additional monies in an amount not to exceed the amount of projected Professional Fees reasonably and in good faith anticipated by the Debtors to be incurred by the Debtors for the immediately succeeding 30-day period (“Additional Reserved Funds”), and such Additional Reserved Funds shall reduce on a dollar for dollar basis the Post-Carve Out Trigger Notice Cap; provided, however, notwithstanding anything herein to the contrary, the Carve-Out, the Pre-Trigger Date Fees, the Post-Carve-Out Trigger Cap, and any amounts used to fund any applicable Carve-Out Reserve, in each case shall be satisfied (and shall be deemed to have been satisfied) first from Unencumbered Cash, second from Disputed Cash and third from Cash Collateral.

11. No proceeds of the Prepetition Collateral, Cash Collateral, the Postpetition Collateral (to the extent it constitutes proceeds of Prepetition Collateral or Cash Collateral or there has been diminution in value of the Prepetition Collateral or Cash Collateral) or the Carve-Out shall be used for the purpose of: (a) investigating, objecting to, challenging or contesting in any manner, or in raising any defenses to, the amount, validity, extent, perfection, priority or enforceability of the Secured Obligations, or any liens or security interests with respect thereto, or any other rights or interests of any of the Secured Parties, whether in their capacity as such or otherwise, including with respect to the Adequate Protection Liens, or in asserting any claims or causes of action against any of the Secured Parties (whether in their capacity as such or otherwise), including, without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550, or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise; (b) seeking to have confirmed any plan of reorganization, plan of liquidation, or asset sale, that,
is not supported by the Credit Agreement Agent and the Requisite First Lien Lenders or does not comply in all respects with the Restructuring Support Agreement; (c) seeking to modify any of the rights granted to the Secured Parties hereunder; (d) preventing, hindering or otherwise delaying the Secured Parties’ assertion, enforcement or realization upon any Collateral in accordance with the Lien Documents and this Interim Order; or (e) paying any amount on account of any claims arising before the Petition Date unless such payments are approved by an order of this Court; provided that up to $50,000 of Cash Collateral shall be made available to the Committee for fees and expenses incurred in connection with any Lien Investigation (the “Committee Investigation Budget”); provided, further, however, that any such fees and expenses incurred in connection with any such Lien Investigation shall be satisfied (and shall be deemed to have been satisfied) first from any Unencumbered Cash, second from Disputed Cash and third from Cash Collateral; provided, further, that any such fees and expenses satisfied (or deemed to have been satisfied), whether by Unencumbered Cash, Disputed Collateral or Cash Collateral, shall reduce dollar for dollar the Committee Investigation Budget. The First Lien Secured Parties reserve the right to object to, contest or otherwise challenge any claim incurred in connection with any activities described above (other than as permitted in connection with the Committee Investigation Budget in an amount not exceeding such Committee Investigation Budget) on the ground that such claim should not be allowed, treated or payable as an administrative expense claim for purposes of section 1129(a)(9)(A) of the Bankruptcy Code.

12. No Waiver of First Lien Secured Parties’ Rights; Reservation of Rights. Notwithstanding any provision in this Interim Order to the contrary, this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, any of the First Lien Secured Parties’ rights with respect to any person or entity other than the Debtors or with respect
to any other collateral owned or held by any person or entity other than the Debtors. The rights of the First Lien Secured Parties are expressly reserved and entry of this Interim Order shall be without prejudice to, and does not constitute a waiver, expressly or implicitly, of:

   o. the First Lien Secured Parties’ rights under any of the First Lien Documents;

   p. the First Lien Secured Parties’ rights to seek any other or supplemental relief in respect of the Debtors;

   q. the First Lien Secured Parties’ rights to seek modification of the grant of adequate protection provided under this Interim Order so as to provide different or additional adequate protection at any time;

   r. any of the First Lien Secured Parties’ rights under the Bankruptcy Code or under non-bankruptcy law including, without limitation, to the right to: (i) request modification of the automatic stay of section 362 of the Bankruptcy Code; (ii) request dismissal of the Chapter 11 Cases, conversion of any of the Chapter 11 Cases to cases under chapter 7, or appointment of a chapter 11 trustee or examiner with extended powers, or (iii) propose, subject to section 1121 of the Bankruptcy Code, a chapter 11 plan or plans;

   s. any of the First Lien Secured Parties’ unqualified right to credit bid up to the full amount of any remaining First Lien Obligations in the sale of any Prepetition Collateral or pursuant to (i) section 363 of the Bankruptcy Code, (ii) a plan of reorganization or a plan of liquidation under section 1129 of the Bankruptcy Code, or (iii) a sale or disposition by a chapter 7 trustee for any Debtor under section 725 of the Bankruptcy Code; or

   t. any other rights, claims, or privileges (whether legal, equitable, or otherwise) of the First Lien Secured Parties.
13. Further Assurances. The Debtors shall execute and deliver to the Collateral Agents and the First Lien Group all such agreements, financing statements, instruments, and other documents as they may reasonably request to evidence, confirm, validate, or evidence the perfection of the Adequate Protection Liens granted pursuant hereto.

14. Compliance With Credit Agreement Covenants. The Debtors shall comply will all reporting requirements contained in the First Lien Loan Documents, including any reporting requirements contained in section 2.04(e) of that certain Intellectual Property Security Agreement dated as of July 5, 2007, which shall be provided during the Chapter 11 Cases on no less than a monthly basis.

15. 506(c) Waiver. Subject to the entry of a Final Order, except solely with respect to any Disputed Collateral that is ultimately determined by final non-appealable Order of the Court (or another court of competent jurisdiction) to be unencumbered and is used for the satisfaction of the costs and expenses of administering the Chapter 11 Cases, no costs or expenses of administration which have been or may be incurred in any of the Chapter 11 Cases at any time shall be charged against any First Lien Secured Party, any of the First Lien Obligations, any of their respective claims, or the Collateral pursuant to sections 506(c) or 105(a) of the Bankruptcy Code, or otherwise, without the prior written consent of the Credit Agreement Agent and the Requisite First Lien Lenders, and no such consent shall be implied from any other action, inaction, or acquiescence by any of the First Lien Secured Parties or their respective representatives.

16. Restrictions on Granting Postpetition Claims and Liens. No claim or lien that is pari passu with or senior to the claims and liens of any of the First Lien Secured Parties
shall be offered by any Debtor, or granted, to any other person, except in connection with any financing used to pay in full the claims of the First Lien Secured Parties.

17. **Automatic Effectiveness of Liens.** The Adequate Protection Liens shall not be subject to challenge and shall attach and become valid, perfected, enforceable, non-avoidable, and effective by operation of law as of the Petition Date, having the priority set forth in Paragraph 4 of this Interim Order, without any further action by the Debtors or the First Lien Secured Parties and without the necessity of execution by the Debtors, or the filing or recordation, of any financing statements, security agreements, vehicle lien applications, mortgages, filings with the U.S. Patent and Trademark Office, the U.S. Copyright Office, or the Library of Congress, or other documents or the taking of any other actions. If either of the Collateral Agents hereafter requests that the Debtors execute and deliver to them financing statements, security agreements, collateral assignments, mortgages, or other instruments and documents considered by such agent to be reasonably necessary or desirable to further evidence the perfection of the Adequate Protection Liens, as applicable, the Debtors are hereby directed to execute and deliver such financing statements, security agreements, mortgages, collateral assignments, instruments, and documents, and the Collateral Agents are hereby authorized to file or record such documents in their discretion without seeking modification of the automatic stay under section 362 of the Bankruptcy Code, in which event all such documents shall be deemed to have been filed or recorded at the time and on the date of entry of this Interim Order.

18. **No Marshaling/Application of Proceeds.** The Collateral Agents shall be entitled to apply the payments or proceeds of the Prepetition Collateral in accordance with the provisions of the First Lien Documents, including any related intercreditor agreements, and in no event shall any of the First Lien Secured Parties be subject to the equitable doctrine of
“marshaling” or any other similar doctrine with respect to any of the Prepetition Collateral for the benefit of any non-First Lien Secured Party.

19. **Binding Effect.** Subject to Paragraph 9 of this Interim Order, the provisions of this Interim Order shall be binding upon and inure to the benefit of the Secured Parties to the extent and as set forth herein, the Debtors, the Committee, and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereafter appointed or elected for the estate of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors). To the extent permitted by applicable law, this Interim Order shall bind any trustee hereafter appointed for the estate of any of the Debtors, whether in these Chapter 11 Cases or in the event of the conversion of any of the Chapter 11 Cases to a liquidation under chapter 7 of the Bankruptcy Code. Such binding effect is an integral part of this Interim Order.

20. **Survival.** The provisions of this Interim Order and any actions taken pursuant hereto shall survive the entry of any order: (i) confirming any plan of reorganization in any of the Chapter 11 Cases, (ii) converting any of the Chapter 11 Cases to a chapter 7 case, or (iii) dismissing any of the Chapter 11 Cases, and, with respect to the entry of any order as set forth in clause (ii) or (iii) of this Paragraph 20, the terms and provisions of this Interim Order as well as the Adequate Protection Liens and Superpriority Claim shall continue in full force and effect notwithstanding the entry of any such order.

21. **Effect of Dismissal of Chapter 11 Cases.** If any of the Chapter 11 Cases is dismissed, converted, or substantively consolidated, such dismissal, conversion, or substantive consolidation of these Chapter 11 Cases shall not affect the rights of the First Lien Secured
Parties under this Interim Order, and all of their rights and remedies thereunder shall remain in full force and effect as if the Chapter 11 Cases had not been dismissed, converted, or substantively consolidated. If an order dismissing any of the Chapter 11 Cases is at any time entered, such order shall provide or be deemed to provide (in accordance with Sections 105 and 349 of the Bankruptcy Code) that: (i) subject to Paragraph 9 of this Interim Order, the Prepetition First Priority Liens, Adequate Protection Liens, and Superpriority Claim granted to and conferred upon the First Lien Secured Parties shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order (and that such Superpriority Claim shall, notwithstanding such dismissal, remain binding on all interested parties) and (ii) to the greatest extent permitted by applicable law, this Court shall retain jurisdiction, notwithstanding such dismissal, for the purpose of enforcing the Prepetition First Priority Liens, Adequate Protection Liens, and Superpriority Claim referred to in this Interim Order.

22. **Order Effective.** This Interim Order shall be effective as of the date of the signature by the Court.

23. **No Requirement to Accept Title to Collateral.** The First Lien Secured Parties shall not be obligated to accept title to any portion of the Prepetition Collateral in payment of the indebtedness owed to them by the Debtors, in lieu of payment in cash or cash equivalents, nor shall the First Lien Secured Parties be obligated to accept payment in cash or cash equivalents that is encumbered by any interest of any person or entity.

24. **Controlling Effect of Interim Order.** To the extent any provision of this Interim Order conflicts or is inconsistent with any provision of the Motion or any prepetition agreement, the provisions of this Interim Order shall control to the extent of such conflict.
25. **Final Hearing.** A final hearing on the Motion shall be heard before the Honorable Judge Elizabeth S. Stong on __________, 2013 at __:__ a.m./p.m. at the United States Bankruptcy Court, 271 Cadman Plaza East, Courtroom ___, Brooklyn, NY 11201. Any objections shall be filed with the Bankruptcy Court on or before __________, 2013 at 5:00 p.m. (prevailing Eastern Time), and served upon (a) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attn: Jonathan S. Henes and Christopher J. Marcus, and Kirkland & Ellis LLP, 300 North LaSalle, Chicago, IL 60654, Attn: Ross M. Kwasteniet, as counsel for the Debtors; (b) Milbank, Tweed, Hadley & McCloy LLP, Attn.: Gregory Bray and Lauren Doyle, as counsel to the First Lien Group; (c) Davis Polk & Wardwell LLP, as counsel to the Credit Agreement Agent, Attn.: Damian S. Schaible and Darren S. Klein, and (d) Katten Muchin Rosenman LLP, Attn.: Karen Dine and David Crichlow, as counsel to the First Lien Notes Trustee.
Exhibit D

Equity Term Sheet
Cengage Learning – Equity Term Sheet

THIS TERM SHEET IS NON-BINDING AND DOES NOT CREATE LEGALLY BINDING OBLIGATIONS AMONG THE PARTIES. THE TERMS CONTEMPLATED HEREIN ARE SUBJECT TO, AMONG OTHER THINGS, DEFINITIVE DOCUMENTATION AND ARE FOR DISCUSSION PURPOSES ONLY. CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE RESTRUCTURING SUPPORT AGREEMENT.

<table>
<thead>
<tr>
<th>Private Company Status</th>
<th>The reorganized Debtors (the “Reorganized Debtors”) shall not be required to file reports under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).</th>
</tr>
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<tbody>
<tr>
<td>Classes of Equity</td>
<td>Upon consummation of the Agreed Restructuring, there shall be one class of common stock (the “Common Stock”) of the reorganized Company, a Delaware corporation (the “Reorganized Company”) issued on account of claims under the Agreed Restructuring. The Common Stock shall be uncertificated and shall be issued in electronic format only.</td>
</tr>
<tr>
<td>Transferability</td>
<td>Subject to the requirements of the Securities Act of 1933, as amended, the Common Stock shall not be subject to rights of first refusal, rights of first offer, or any other restrictions on transfer; provided however that the Common Stock may contain reasonable and customary restrictions designed to maintain the Reorganized Company as a private company.</td>
</tr>
<tr>
<td>Tag-Along Rights</td>
<td>The stockholders agreement shall contain tag-along rights that are customary in transactions of this type.</td>
</tr>
<tr>
<td>Drag-Along Rights</td>
<td>The stockholders agreement shall contain drag-along rights that are customary in transactions of this type.</td>
</tr>
<tr>
<td>Preemptive Rights</td>
<td>Each holder of the Reorganized Company’s Common Stock who has voted in favor of the Agreed Restructuring Plan shall be entitled to reasonable and customary preemptive rights, subject to customary exceptions. Any proposed elimination of preemptive rights shall require the consent of each affected holder of Common Stock.</td>
</tr>
<tr>
<td>Information Rights</td>
<td>At all times prior to the Reorganized Company completing a Qualified Public Offering (as defined below), the Reorganized Debtors shall provide to the shareholders and any prospective investor (who is not a direct competitor of the Debtors) that has entered into a confidentiality agreement on customary terms and for purposes of evaluating the investment (“Qualified Prospective Investor”), on a reputable password-protected online data system, such as Intralinks, annual reports, quarterly reports, proxy statements and other periodic reports that would...</td>
</tr>
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</table>
be required to be filed pursuant to Section 13 or 15(d) of the Exchange Act, prepared as if the Reorganized Debtors were a reporting company under the Exchange Act. The Reorganized Debtors shall hold live quarterly conference calls (with a question and answer period) for shareholders and Qualified Prospective Investors, with dates and dial-in information announced on the password-protected online data system utilized by the Reorganized Debtors at least three (3) days prior to such quarterly calls.

<table>
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<th>Governance Rights</th>
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| Except as otherwise set forth below for the election of directors, each share of Common Stock shall be entitled to one vote and shall be entitled to vote for all such matters that are put to the stockholders for approval under Reorganized Company’s governing documents and applicable law. Notwithstanding the foregoing, management and governance of the Reorganized Debtor shall be determined by the Board of Directors (as defined below) for all matters except those that require shareholder approval under applicable law. The number of directors on the board of directors of the Reorganized Company (the “Board of Directors”) shall be established at seven (7) directors. The Board of Directors shall be determined for the first two (2) years following the Plan Effective Date (the “Initial Board Term”) as follows:

(i) One (1) director shall be the Chief Executive Officer of the Reorganized Company (the “CEO”);

(ii) each holder of 15% or more of the outstanding Common Stock of the Reorganized Company, shall be entitled to nominate and have elected one (1) director on the Board of Directors; and

(iii) the ad hoc committee of Consenting Lenders shall be entitled to elect the remaining directors; provided that no institution shall be entitled to nominate and have elected more than one director on the Board of Directors at any time; provided further, that the Consenting Lenders will consult with the CEO to the extent that any board nominee of the Consenting Lenders is not employed by or otherwise directly affiliated with a Consenting Lender.

At the end of the Initial Board Term, the Board of Directors shall be redetermined by shareholder vote (which vote shall occur annually) on the same basis set forth for the Initial Board Term above, until such time as the Reorganized Company has completed a Qualified Public Offering. After the Reorganized Company has completed a Qualified Public Offering, the Board of Directors will be elected by holders of its equity securities entitled to vote in the election therefor.
| **Equity Incentives** | Any equity incentives granted or issued to management or employees of the Reorganized Company or its subsidiaries, or to any providers of services to the Reorganized Company or its subsidiaries, shall dilute each holder of Common Stock equally and ratably, regardless of the time of issue of such incentive or approval of any plan for such issuance. |
| **Termination of Equity Rights** | The shareholder rights set forth herein other than Registration Rights shall terminate upon an underwritten public offering of the Common Stock so long as the Common Stock, in connection with such offering, will be listed on a national securities exchange (a “Qualified Public Offering”). |
| **Registration Rights** | Holders of Common Stock shall have (i) demand registration rights (including the right to demand the Reorganized Company complete an initial public offering of its Common Stock) exercisable at any time after the second (2nd) anniversary (but prior to the third (3rd) anniversary) of the Plan Effective Date, by holders of more than 50% of Common Stock, and at any time on or after the third (3rd) anniversary of the Plan Effective Date, by holders of 33⅓% of Common Stock, subject to the registration rights or similar agreement setting forth the registration rights herein, and (ii) reasonable and customary piggy back registration rights exercisable at any time after the Reorganized Company has consummated a public offering of its Common Stock. |
Exhibit E

Form Transfer Agreement

The undersigned ("Transferee") hereby acknowledges that it has read and understands the Restructuring Support Agreement (the "Agreement"), dated as of [ ], by and among the Debtors and the Consenting Lenders, including the transferor to the Transferee of any First Lien Claims (the "Transferor"), and agrees to assume, be bound by and timely perform all of the terms and provisions of the Agreement (as the same may be hereafter amended, restated or otherwise modified from time to time) to the extent Transferor was thereby bound, and shall hereafter be deemed to have all of the rights and obligations of, and to be, a Consenting Credit Agreement Lender or Consenting First Lien Noteholder (as applicable) for all purposes under the Agreement. Capitalized terms not used but not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement, a copy of which, together with the Restructuring Term Sheet (as defined in the Agreement), is attached hereto as Exhibit A.

With respect to all First Lien Claims held by the Transferee, all related rights and causes of action arising out of or in connection with or otherwise relating to such First Lien Claims, the Transferee hereby makes all of the representations and warranties of a Consenting Credit Agreement Lender or Consenting First Lien Noteholder (as applicable) as set forth in the Agreement, including, without limitation, the representations and warranties set forth in Section 4 of the Agreement, as applicable.

The Transferee specifically agrees (i) to be bound by the terms and conditions of the First Lien Credit Facility and/or the First Lien Indenture, as applicable, and the Agreement and (ii) to be bound by the vote of the Transferor if cast prior to the effectiveness of the Transfer of any First Lien Claim.

Date Executed: _____, 201[ ]

Print name of Transferee
Name:
Title:
Address: ________________________________
_____________________________________
Attention: ______________________________
Telephone: _____________________________
Facsimile: _____________________________
<table>
<thead>
<tr>
<th>Principal Amount Held</th>
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<tbody>
<tr>
<td><strong>First Lien Claim</strong></td>
<td><strong>Amount</strong></td>
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<tr>
<td>First Lien Claims (specify type)</td>
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