Tekni-Plex, Inc.

Current Report

November 19, 2010

Date of Report (Date of earliest event reported)

1150 First Avenue
Suite 500
King of Prussia, PA 19406
(484) 690-1520

Item 1.01. Entry into a Material Definitive Agreement.

On November 19, 2010 (the “Closing Date”), Tekni-Plex, Inc., a Delaware corporation (the “Company”) entered into a First-Lien Loan and Security Agreement (the “ABL Loan Agreement”) that provides for loans or other extensions of credit to be made to the Company in an aggregate principal amount of $60,000,000 and a First-Lien Term Loan Credit Agreement (the “Term Loan Credit Agreement” and, together with the ABL Loan Agreement, the “New Senior Secured Credit Facilities”) that provides for loans or other extensions of credit to be made to the Company in an aggregate principal amount of $285,000,000. The proceeds from the New Senior Secured Credit Facilities were used to repay certain existing indebtedness, including the redemption in full of the Company’s outstanding $10^{7}/_{8}$% Senior Secured Notes due 2012 (the “2012 Notes”) (including call premium and accrued interest) and the redemption in part of the Company’s 8 ¾% Senior Secured Notes due 2013 (the “2013 Notes”) (including call premium and accrued interest), to pay the transaction expenses incurred in connection with the transaction and for general corporate purposes.

ABL Loan Agreement

Effective as of the Closing Date, the Company entered into the First-Lien Loan and Security Agreement, with certain domestic subsidiaries of the Company, as borrowers (together with the Company, the “Co-Borrowers”), Bank of America, N.A., as agent, and the other lenders party thereto. The ABL Loan Agreement provides for a $60 million senior secured revolving credit facility. The terms of the ABL Loan Agreement allows the Company, subject to certain conditions, to increase the amount of the commitment thereunder by an aggregate incremental amount up to $40 million. As of the date hereof, such incremental amount has not been committed to by any lender.

Obligations under the ABL Loan Agreement are secured by (i) first priority liens on substantially all of the following assets of the Co-Borrowers: (a) accounts receivable (excluding rights to payment for property which constitutes Non-Current Asset Collateral (as defined below)); (b) chattel paper; (c) deposit accounts and all cash, checks, other negotiable instruments, funds and other property held therein or credited thereto (except accounts established with respect to Non-Current Asset Collateral or property held therein that constitutes Non-Current Asset Collateral, or cash proceeds of Non-Current Asset Collateral); (d) inventory; (e) to the extent governing or involving the foregoing, all documents, general intangibles, instruments, commercial tort claims, and letter of credit rights; (f) all supporting obligations relating to any of the foregoing items; (g) books and records; and (h) all proceeds of the foregoing (collectively, the “Current Asset Collateral”), and (ii) second-priority liens on all other assets securing the Term Loan Credit Agreement on a first-priority basis, in each of clauses (i) and (ii), subject to permitted liens and certain exceptions.

All amounts outstanding under the ABL Loan Agreement will bear interest, at the Company’s option, at a rate *per annum* equal to the base rate plus a margin equal to 1.75%, 2.00% or 2.25% or LIBOR plus a margin equal to 2.75%, 3.00% or 3.25%, as set forth in the ABL Loan Agreement. The applicable margin initially will be equal to 3.00% for loans bearing interest by reference to LIBOR and 2.00% for loans bearing interest by reference to the base rate, and will be adjusted quarterly based on changes in the Company’s total leverage ratio under the ABL Credit Agreement.

The maturity date of the ABL Loan Agreement is the fifth anniversary of the Closing Date.

The Company will pay commitment fees on a quarterly basis equal to 0.50% per annum times the amount by which the commitments exceed the average daily balance of loans and stated amounts of letters of credit during any month.

In connection with the ABL Loan Agreement, the Co-Borrowers have made, with respect to themselves and certain of their subsidiaries, certain representations and warranties and are required to comply, and to cause certain of their subsidiaries to comply, with various covenants (including maintenance of a minimum fixed charge coverage ratio when availability under the revolving credit facility is below a specified level), reporting requirements and other customary requirements for similar facilities. The ABL Loan Agreement contains customary events of default included in financing transactions, including failure to make payments when due, default under other material indebtedness, breach of certain covenants, breach of certain representations and warranties, involuntary or voluntary

bankruptcy, and material judgments. During the continuation of an event of default, the Company and the other co-borrowers may be required to pay interest at a default rate.

Term Loan Agreement

Effective as of the Closing Date, the Company entered into a First-Lien Term Loan Credit Agreement among the Company, Deutsche Bank Trust Company Americas, as administrative agent, various lenders, Deutsche Bank Securities Inc. and Bank of America, N.A., as joint lead arrangers and joint lead bookrunners, and Bank of America, N.A., as syndication agent. The Term Loan Credit Agreement provides for a $285 million senior secured first lien term loan credit facility. The terms of the Term Loan Credit Agreement allow the Company, subject to certain conditions, to increase the amount of the commitment thereunder by an aggregate incremental amount up to $60 million. As of the date hereof, such incremental amount has not been committed to by any lender.

Obligations under the Term Loan Credit Agreement are guaranteed by all of the Company's current and future domestic restricted subsidiaries. The Company's borrowings under the Term Loan Credit Agreement are secured by (i) first-priority liens on all assets other than Current Asset Collateral, including a pledge of two-thirds of the equity interests of the Company's first-tier foreign subsidiaries ("Non-Current Asset Collateral") and (ii) second-priority liens on the Current Asset Collateral securing obligations under the ABL Loan Agreement, in each case, subject to permitted liens and certain exceptions.

All amounts outstanding under the Term Credit Agreement will bear interest, at the Company's option, at a rate *per annum* equal to the LIBOR rate plus a margin equal to 7.00%, or the base rate plus a margin equal to 6.00%, as set forth in the Term Loan Credit Agreement.

Subject to exceptions, the Term Loan Credit Agreement requires mandatory prepayments, in amounts equal to (i) 50% (reduced to 25% upon the achievement of a certain specified leverage ratio) of excess cash flow (as defined in the Term Loan Credit Agreement) at the end of each fiscal year, (ii) 100% of the net cash proceeds from certain asset sales by the Company or any guarantor (collectively, the "Loan Parties") and certain casualty and condemnation events (subject to certain exceptions and reinvestment provisions), (iii) 100% of the net cash proceeds from the issuance or incurrence after the closing date of any additional debt by the Company or any of its restricted subsidiaries excluding debt permitted under the Term Loan Credit Agreement, and (iv) 100% of the net cash proceeds from the issuance of equity interests of the borrower or its restricted subsidiaries.

Voluntary prepayments of borrowings under the Term Loan Credit Agreement are permitted at any time, in agreed-upon minimum principal amounts, without premium or penalty (except LIBOR breakage costs, if applicable).

The Term Loan Credit Agreement will amortize at a rate of 1% per year, with the balance being due on the six year anniversary of the Closing Date.

In connection with the Term Loan Credit Agreement, the Company has made, with respect to itself and certain of its subsidiaries, certain representations and warranties and is required to comply, and to cause such subsidiaries to comply, with various covenants (including maintenance of a maximum leverage ratio and a minimum interest expense coverage ratio), reporting requirements and other customary requirements for similar facilities. The Term Loan Credit Agreement contains customary events of default included in financing transactions, including failure to make payments when due, default under other material indebtedness, breach of covenants, breach of representations and warranties, involuntary or voluntary bankruptcy, and material judgments.

Supplemental Indenture

In addition, on the Closing Date, the Company, the guarantors party thereto and HSBC Bank USA, National Association, as trustee (the "Trustee"), entered into a Fourth Supplemental Indenture (the "Supplemental Indenture") to the Indenture dated as of November 21, 2003, by and among the Company, each of the guarantors party thereto and the Trustee, pursuant to which the 2013 Notes were issued (as amended and supplemented, the "Indenture") in

order to amend certain provisions in the Indenture. All capitalized terms used herein but not defined in this Current Report have the meaning ascribed to them in the Indenture.

The Supplemental Indenture permits the Company, among other things, (i) to increase the amount of indebtedness that can be incurred under the Credit Facilities from $275,000,000 to an amount equal to $345,000,000 (plus any additional principal amount of indebtedness the proceeds of which are simultaneously used to repay the Notes) in order to permit the increase of the New Senior Secured Credit Facilities, the proceeds of which shall be used (A) to effect the refinancing of certain existing indebtedness, including the Company's existing Priority Lien Debt, (B) to provide a prepayment of at least $30,000,000 of the Notes, and (C) for general corporate purposes, (ii) to provide that holders of Priority Liens may designate that such liens are not Priority Liens, (iii) to amend the definition of "Permitted Lien" to permit the filing of protective financing statements under the Uniform Commercial Code in connection with the Company's sale of accounts receivable in the ordinary course of business, and (iv) to make certain modifications to the intercreditor provisions of the Indenture.

Except as described above, the material terms of the Indenture are substantially unchanged.

Copy of the Supplemental Indenture is attached hereto as Exhibit 4.1 and is incorporated by reference herein.

Item 1.02. Termination of a Material Definitive Agreement.

In connection with the transaction, the Company repaid all of its outstanding indebtedness under (i) its ABL revolving credit facility, in the amount of $26.3 million, entered into on November 14, 2008, by and among the Company, the lenders and issuers party thereto, Citicorp USA, Inc., as Administrative Agent, and General Electric Capital Corporation, as Syndication Agent, (ii) its Junior Lien Credit Agreement, entered into on November 14, 2008, by and between the Company and OCM Tekni-Plex Holdings II, L.P., consisting of a $15.0 million credit facility and (iii) its Term Loan Agreement, dated as of November 14, 2008, by and between Tekni-Plex Europe NV and OCM Luxembourg Tekni-Plex Holdings S.à r.l., consisting of a $33 million (€26.3 million) credit facility. The Company also elected to redeem all of its outstanding 2012 Notes issued under the Indenture, dated as of June 10, 2005, by and among the Company, the guarantors party thereto and the trustee. The principal amount of the 2012 Notes was $150 million.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information contained in Item 1.01 above regarding the New Senior Secured Credit Facilities is hereby incorporated by reference into this Item 2.03.

Item 3.03. Material Modifications to Rights of Security Holders.

The information set forth in Item 1.01 of this Current Report that relates to the material modification of the rights of the holders of the Notes is incorporated by reference into this Item 3.03.

***Item 9.01. Financial Statements and Exhibits*.**

(d) Exhibits.

Exhibit No.	Description
4.1	Fourth Supplemental Indenture, dated as of November 19, 2010, by and among Tekni-Plex, Inc., the guarantors party thereto and HSBC Bank USA, National Association, as trustee, supplementing the Indenture, dated as of November 21, 2003, pursuant to which the 8¾% Senior Secured Notes due 2013 were issued.

SIGNATURES

The Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TEKNI-PLEX, INC.

By: /s/
Name: Robert M. Larney
Title: Chief Financial Officer

Date: November 26, 2010

EXHIBIT INDEX

Exhibit No.	Description
4.1	Fourth Supplemental Indenture, dated as of November 19, 2010, by and among Tekni-Plex, Inc., the guarantors party thereto and HSBC Bank USA, National Association, as trustee, supplementing the Indenture, dated as of November 21, 2003, pursuant to which the 8 ¾% Senior Secured Notes due 2013 were issued.

TEKNI-PLEX, INC.

Each of the Guarantors PARTY HERETO

and

HSBC BANK USA, NATIONAL ASSOCIATION, as Trustee

FOURTH SUPPLEMENTAL INDENTURE

Dated as of November 19, 2010

to

INDENTURE

Dated as of November 21, 2003

Between

TEKNI-PLEX, INC.

each of the Guarantors PARTY THERETO

and

HSBC BANK USA, NATIONAL ASSOCIATION, as Trustee

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8 ¾% Senior Secured Notes due 2013

FOURTH SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of November 19, 2010, between TEKNI-PLEX, INC., a Delaware corporation (the "Company"), the GUARANTORS listed on the signature page hereto (the "Guarantors") and HSBC BANK USA, NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America, as trustee (the "Trustee"). Capitalized terms used in this Supplemental Indenture and not otherwise defined herein shall have the respective meanings ascribed to them in the Indenture.

WITNESSETH:

WHEREAS, the Company and the Guarantors executed and delivered to the Trustee an Indenture dated as of November 21, 2003 (as amended and supplemented from time to time, the "Indenture") by and among the Company, the Guarantors and the Trustee, pursuant to which the Company's 8 ¾% Senior Secured Notes due 2013 (the "Notes") were issued;

WHEREAS, the Company and the Guarantors executed and delivered to the Trustee a Supplemental Indenture dated as of December 5, 2008 to the Indenture, pursuant to which the Company and the Guarantors amended the provisions of Section 4.03;

WHEREAS, the Company and the Guarantors executed and delivered to the Trustee a Second Supplemental Indenture dated as of September 30, 2009 to the Indenture, pursuant to which the Company and the Guarantors amended Article 10 to include a new section 10.09;

WHEREAS, the Company and the Guarantors executed and delivered to the Trustee a Third Supplemental Indenture dated as of December 8, 2009 to the Indenture, pursuant to which the Company and the Guarantors amended the provisions of Section 4.03(a);

WHEREAS, Section 4.09(b) of the Indenture permits the Company to incur additional indebtedness under the Credit Facilities in an aggregate principal amount not to exceed $275,000,000 (less the proceeds applied by the Company since the date of the Indenture to repay any indebtedness under the Credit Facilities);

WHEREAS, the Company wishes to increase the amount of indebtedness that can be incurred under the Credit Facilities from $275,000,000 to an amount equal to $345,000,000 (plus any additional principal amount of indebtedness the proceeds of which are simultaneously used to repay the Notes) in order to permit the increase of the new senior secured credit facilities, the proceeds of which shall be used (A) to effect the refinancing of certain existing indebtedness, including the Company's existing Priority Lien Debt, (B) to provide a prepayment of at least $30,000,000 of the Notes, and (C) for general corporate purposes (the "*Credit Facility Refinancing*");

WHEREAS, in connection with the Credit Facility Refinancing, the Company has requested that the Holders direct the Trustee to execute and deliver an

amendment to the Indenture (i) to permit an increase in the amount of indebtedness that can be incurred under the Credit Facilities to $345,000,000 (plus any additional principal amount of indebtedness the proceeds of which are simultaneously used to repay the Notes) under Section 4.09(b) of the indenture; and (ii) to make such other amendments and modifications as are set forth in Article I below;

WHEREAS, Section 9.02 of the Indenture provides that, subject to certain inapplicable exceptions, the Company, the Guarantors and the Trustee may amend or supplement the Indenture, the Subsidiary Guarantees, the Security Documents and the Notes with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding voting as a single class (excluding the aggregate principal amount of Notes beneficially owned by affiliates of the Company) (the "Requisite Consents");

WHEREAS, the Holders that have approved this Supplemental Indenture (as evidenced by their execution of a Consent Form) constitute Holders of at least a majority in aggregate principal amount of the Notes now outstanding and are willing to direct the Trustee to execute and deliver this Supplemental Indenture;

WHEREAS, consistent with DTC practice, DTC has authorized direct participants in DTC set forth in the position listing of DTC as of the date hereof to approve this Supplemental Indenture as if they were Holders of the Notes held of record in the name of DTC or the name of its nominee;

WHEREAS, the Trustee has been directed by the Holders of the requisite principal amount of the Notes to execute and deliver this Supplemental Indenture in its capacity as Trustee;

WHEREAS, the execution and delivery of this Supplemental Indenture have been duly authorized by the Company and each Guarantor and all conditions and requirements necessary to make this instrument a valid and binding agreement have been duly performed and complied with;

WHEREAS, the Company has agreed to indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Supplemental Indenture, except to the extent any such loss, liability or expense may be attributable to its negligence or bad faith; and

NOW, THEREFORE, in consideration of the above premises, and for the purpose of memorializing the amendments to the Indenture consented to by the Holders, each party agrees, for the benefit of the others and for the equal and ratable benefit of the Holders of the Notes, as follows:

ARTICLE I

AMENDMENT OF INDENTURE

Section 1.1 AMENDMENTS TO DEFINITIONS.

(a) Section 1.01 of the Indenture is hereby amended to include the following new definitions:

> "“Credit Facility Amount” means an amount equal to (a) $345 million plus (b) any additional principal amount of Indebtedness, the net cash proceeds of which are used to repay the Notes after the execution of the Fourth Supplemental Indenture.";

> "“Fourth Supplemental Indenture” means the Fourth Supplemental Indenture to this Indenture, dated November 19, 2010, by and among the Company, the guarantors party thereto and the Trustee.";

(b) the definition of "Permitted Liens" in Section 1.01 of the Indenture is hereby amended to delete the word "and" at the end of clause 15 thereof, delete the "." at the end of the clause 16 thereof and replace it with "; and", and add the following new clause:

> "(17) Liens in the form of a protective financing statement filed under the Uniform Commercial Code in connection with any sale of accounts receivable in the ordinary course of business.";

(c) the definition of "Priority Lien" in Section 1.01 of the Indenture will be amended by adding the following sentence at the end thereof:

> "provided, that any such Lien, with respect to any portion of the Collateral, shall not be a Priority Lien if the applicable Priority Lien Document expressly states that such Lien is not a Priority Lien with respect to such portion of Collateral under this Indenture."

(d) clause (1) of the definition of "Priority Lien Debt" in Section 1.01 of the Indenture therein is hereby amended and restated in its entirety as follows:

> "(1) the principal of and interest (including interest, fees and expenses accruing on or after the filing of any petition in bankruptcy or for reorganization, regardless of whether such claim for post-petition interest, fees or expenses is allowed or allowable in any case under the Bankruptcy Code) on Indebtedness under the Credit Agreement to the extent which, when advanced (or, in the case of any reimbursement obligation for a letter of credit issued under the Credit Agreement, when

such letter of credit was issued), either (a) was permitted to be incurred by clause (1) or clause (14) of the definition of "Permitted Debt" or (b) was advanced (or, in the case of any such reimbursement obligation, relates to a letter of credit that was issued) upon delivery to the Trustee and the Credit Agreement Agent of an officer's certificate to the effect that such Indebtedness was permitted to be incurred by clause (1) or clause (14) of the definition of "Permitted Debt", including without limitation any such Indebtedness incurred in any insolvency or liquidation proceeding to the extent permitted by clause (1) or clause (14) of the definition of "Permitted Debt;"".

Section 1.2 AMENDMENT TO COVENANTS.

(a) Section 4.09(b) of the Indenture is hereby amended to change "$275.0 million" in clause (1) thereof to "the Credit Facility Amount", and to change "this Indenture" in clause (1) thereof to "the Fourth Supplemental Indenture".

Section 1.3 AMENDMENTS TO RANKING OF NOTE LIENS.

(a) Section 13.04 of the Indenture is hereby amended to:

(i) change "Subject to" in clause (a) thereof to "Except as expressly provided in", and to change "the Holders of Notes will not" in clause (a) thereof to "no Holder of Notes will";

(ii) add the words "remaining after Discharge of Priority Lien Obligations" in clause (a)(2) thereof, immediately after the words "as necessary to redeem any Collateral"; and

(iii) delete the words "and desire to," in clause (c) thereof.

(b) Section 13.05(a) of the Indenture is hereby amended and restated in its entirety as follows:

"(a) The provisions of Article 13 will be applicable both before and after the filing of any petition by or against any Obligor under any insolvency or bankruptcy law and all converted or succeeding cases in respect thereof, and all references herein to any Obligor shall be deemed to apply to the trustee for such Obligor and such Obligor as a debtor-in-possession. The relative rights of secured creditors in or to any distributions from or in respect of any Collateral or proceeds of Collateral shall continue after the filing of such petition on the same basis as prior to the date of such filing, subject to any court order approving the financing of, or use of cash collateral by any Obligor as debtor-in-possession.

Without limiting the other provisions of the indenture, upon the commencement of a case under the Bankruptcy Code by or against any Obligor:

(1) the Priority Lien Documents shall remain in full force and effect and enforceable pursuant to their respective terms.

(2) in any such case under the Bankruptcy Code, each of the Holders of Notes agrees not to, and directs the Trustee not to, take any action or vote (in respect of any plan of reorganization of any obligor, or otherwise) in any way so as to contest, or otherwise materially impair or limit (i) the validity or enforceability of any of the Priority Lien Documents or any of the Priority Lien Obligations thereunder, (ii) the validity, priority or enforceability of the Liens, mortgages, assignments and security interests granted pursuant to the Priority Lien Documents with respect to the Priority Lien Obligations, (iii) the relative rights and duties of the holders of the Priority Lien Obligations and the Note Obligations granted and/or established in any Priority Lien Document (or in this Article 13) with respect to such Liens, mortgages, assignments and security interests, and (iv) any claim by the Priority Lien Agent or any other holder of Priority Liens for allowance of Priority Lien Obligations consisting of post-petition interest, fees or expenses. Regardless of whether any such claim for post-petition interest, fees or expenses is allowed or allowable, and without limiting the generality of the other provisions of this Article 13, the provisions of Article 13 are expressly intended to include and do include the "rule of explicitness" in that this Indenture expressly entitles the holders of Priority Liens, and is intended to provide the holders of Priority Liens with the right, to receive payment of all post-petition interest, fees or expenses through distributions made pursuant to the provisions of the Priority Lien Security Documents and Article 13 of this Indenture even though such interest, fees and expenses are not allowed or allowable against the bankruptcy estate of the Obligors under Section 502(b)(2) or Section 506(b) of the Bankruptcy Code or under any other provision of the Bankruptcy Code or any other Bankruptcy Law; provided, that, it is understood and agreed that the Trustee shall not be deemed to have violated the foregoing direction against taking action or voting unless the Trustee shall have received written notice from the Priority Lien Agent within five business days of such action or vote (or, as soon as practicable, in the event that the Priority Lien Agent does not have sufficient prior written notice of such action or vote to comply with such five business day period) that the Trustee's proposed action or vote would violate the foregoing prohibition (a "Priority Lien

Notice"), it being further understood and agreed that the Trustee is entitled to rely on such notice and upon receipt of such notice will refrain from taking such action or vote, provided, further, that in the case of any action or vote taken by the Trustee concerning which the Priority Lien Agent did not have reasonable prior written notice and an opportunity to send a Priority Lien Notice, then, upon the receipt of reasonably prompt written notice from the Priority Lien Agent, the Trustee shall use reasonable efforts in good faith to rescind such action or vote.

(3) so long as any Priority Lien Obligations are outstanding, without the express written consent of the Priority Lien Agent, none of the Trustee or the Holders of Notes (or their representatives) shall (a) with respect to any rights under any Priority Lien Documents or applicable law, seek in respect of any part of the Collateral or proceeds thereof or any Lien which may exist thereon, any relief from or modification of the automatic stay as provided in Section 362 of the Bankruptcy Code, (b) oppose or object to the determination of the extent of any Liens held by any of the holders of the Priority Lien Obligations or the value of any claims of holders of the Priority Lien Obligations under Section 506(a) of the Bankruptcy Code, or (c) oppose or object to the payment of interest, fees and expenses to the Priority Lien Agent or the other holders of Priority Liens.

If, in any Insolvency or Liquidation Proceeding and prior to the Discharge of Priority Lien Obligations, all of the Lenders (or such number of the Lenders as may have the power to bind all of them):

(1) consent to any order for use of cash collateral or agree to the extension of any Priority Lien Debt or other post-petition financing (including on a priming basis), whether from the Priority Lien Creditors or any other third party under Section 362, 363 or 364 of the Bankruptcy Code or any other Bankruptcy Law, to any Obligor;

(2) consent to any order granting any priming lien, replacement lien, cash payment or other relief on account of Priority Lien Obligations as adequate protection (or its equivalent) for the interests of the holders of Priority Liens in the property subject to such Priority Liens; or

(3) consent to any order relating to a sale of assets of the Company or any Guarantor that:

(i) provides, to the extent the sale is to be free and clear of Liens, that all Priority Liens and Note Liens shall attach to the proceeds of the sale; and

(ii) grants Credit Bid Rights to the Holders of Notes,

then, so long as neither the Priority Lien Agent nor any other representative acting for a majority of the Lenders in any respect opposes or otherwise contests any request made by the holders of Note Obligations for the grant to the Collateral Agent, for the benefit of the holders of Note Obligations and as adequate protection (or its equivalent) for the Collateral Agent's interest in the Collateral under the Note Liens, of a junior lien upon any property upon which a Lien is (or is to be) granted under such order to secure the Priority Lien Obligations, co-extensive in all respects with, but subordinated (as set forth in this Article 13) in all respects to, such Lien and all Priority Liens upon such property, the Holders of Notes, the Trustee and the Collateral Agent will not oppose or otherwise contest, the entry of such order, except that any order approving a sale of assets or the bidding procedures for any sale of assets may be opposed or otherwise contested by them based on any ground that may be asserted by a holder of unsecured claims."

(c) Section 13.05(b)(1) of the Indenture is hereby amended and restated in its entirety as follows:

"(b) The Holders of Notes, the Trustee and the Collateral Agent will not file or prosecute in any Insolvency or Liquidation Proceeding any motion for adequate protection (or any comparable request for relief) based upon their interests in the Collateral under the Note Liens, except that:

(1) they may freely seek and obtain relief:

(A) granting a junior lien co-extensive in all respects with, but subordinated (as set forth in this Article 13) in all respects to, all Liens granted as adequate protection in such Insolvency or Liquidation Proceeding to the holders of Priority Lien Debt; or

(B) in connection with the confirmation of any plan of reorganization or similar dispositive restructuring plan (to the extent not inconsistent with or otherwise prohibited by this Indenture);"

(d) Section 13.05 of the Indenture is hereby amended to include the following new paragraph (e):

"(e) The Holders of Notes agree and direct the Trustee to agree (to the maximum extent permitted by law) that the Priority Lien Obligations (and the security therefor) constitute a separate and distinct class (and separate and distinct claims) from the Note Obligations (and the security therefor)."

ARTICLE II

MISCELLANEOUS PROVISIONS

Section 2.1 Effect of Supplemental Indenture.

Prior to the Supplemental Indenture becoming effective, the Company shall deliver to the Trustee an Officers' Certificate certifying that all conditions precedent provided for in the Indenture relating to the Supplemental Indenture have been satisfied. The Trustee may conclusively rely upon such certificate to establish that such Requisite Consents have been obtained. Prior to the Supplemental Indenture becoming effective, the Company shall also deliver to the Trustee an Opinion of Counsel, stating that, in the opinion of such counsel, all conditions precedent provided for in the Indenture relating to the Supplemental Indenture have been satisfied. Upon the execution and delivery of this Supplemental Indenture by the Company, the Guarantors and the Trustee, the Indenture shall be modified in accordance herewith, and this Supplemental Indenture shall form a part of the Indenture for all purposes; and every Holder heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby.

Section 2.2 Indenture Remains in Full Force and Effect.

Except as supplemented and amended hereby, all provisions in the Indenture shall remain in full force and effect.

Section 2.3 Indenture and Supplemental Indenture Construed Together.

This Supplemental Indenture is an indenture supplemental to and in implementation of the Indenture, and the Indenture and this Supplemental Indenture, together with all supplemental indentures effective prior to the date hereof, shall henceforth be read and construed together.

Section 2.4 Confirmation of Indenture.

The Indenture, as supplemented and amended by this Supplemental Indenture, is in all respects confirmed and ratified.

Section 2.5 Conflict with Trust Indenture Act.

If any provision of this Supplemental Indenture limits, qualifies or conflicts with another provision hereof which is required to be included in this

Supplemental Indenture by any of the provisions of the Trust Indenture Act of 1939, such required provision shall control.

Section 2.6 Separability.

In case any one or more of the provisions contained in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.7 Successors and Assigns.

All agreements in this Supplemental Indenture shall be binding upon and inure to the benefit of the respective successors and assigns of the Company, the Guarantors and the Trustee.

Section 2.8 Certain Duties and Responsibilities of the Trustee.

In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, whether or not elsewhere herein so provided. The Trustee, for itself and its successor or successors, accepts the terms of the Indenture as amended by this Supplemental Indenture, and agrees to perform the same, but only upon the terms and provisions defining and limiting the liabilities and responsibilities of the Trustee, which terms and provisions shall in like manner define and limit its liabilities and responsibilities in the performance of the trust created by the Indenture. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture other than as to the validity of its execution and delivery by the Trustee.

Section 2.9 Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY OTHER CONFLICTS OF LAW PROVISIONS.

Section 2.10 Counterparts.

This Supplemental Indenture may be executed in any number of counterparts by the parties hereto on separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

[Signature Page Follows]