

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE:) Chapter 11
)
AMERICAN COMMUNITY) Case No. 09-11446 (KJC)
NEWSPAPERS LLC, *et al.*,¹)
)
) Jointly Administered

Debtors.

Ref. No. 14 and 35

ORDER AUTHORIZING DEBTORS TO: (A) USE CASH COLLATERAL; (B) INCUR POSTPETITION DEBT; AND (C) GRANT ADEQUATE PROTECTION AND PROVIDE SECURITY AND OTHER RELIEF TO BANK OF MONTREAL, AS AGENT, AND THE LENDERS

This matter came before this Court on the motion (the "Motion") of American Community Newspapers LLC, *et al.* (the "Debtors") requesting that this Court enter an order authorizing Debtors to: (a) use certain Cash Collateral; (b) incur Postpetition Debt; and (c) grant adequate protection and provide security and other relief to Bank of Montreal, Chicago Branch ("BMO"), in its capacity as administrative agent ("Prepetition Agent") to the lenders party to Prepetition Credit Agreement (the "Prepetition Lenders"), and BMO in its capacity as agent ("Postpetition Agent"; together with the Prepetition Agent, the "Agents") to the lenders party to the Postpetition Credit Agreement ("Postpetition Lenders"; together with the Prepetition Lenders, the "Lenders"). Unless otherwise indicated, all capitalized terms used as defined terms herein have the meanings ascribed thereto in Exhibit A attached hereto and by this reference are made a part hereof.

This Order shall constitute findings of fact and conclusions of law pursuant to Fed. R. Bankr. P. 7052 and shall take effect and be fully enforceable as of the Filing Date.

Having examined the Motion, being fully advised of the relevant facts and circumstances surrounding the Motion and having completed a hearing pursuant to Code §§ 363 and 364 and Fed. R. Bankr. P. 4001(b) and (c), and objections, if any, having been

¹ The Debtors are the following entities: American Community Newspapers LLC, Amendment I, Inc., Leesburg Today, Inc., Loudoun Magazine, Inc. and Loudoun Business, Inc. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors Chapter 11 petitions.

withdrawn or resolved or overruled by the Court, **THE MOTION IS GRANTED, AND THE COURT HEREBY FINDS THAT:**

A. On the Filing Date, Debtors filed a voluntary petition for relief under chapter 11 of the Code. Debtors have retained possession of their property and continue to operate their businesses as debtors in possession pursuant to Code §§ 1107 and 1108.

B. The Court has jurisdiction over the Cases and this proceeding pursuant to 28 U.S.C. § 1334. Determination of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). Venue over this Motion is proper under 28 U.S.C. § 1409(a).

C. Subject to Paragraph 9(a) of this Order, Debtors have stipulated and represented to the Court that: (1) the Prepetition Documents evidence and govern the Prepetition Debt, the Prepetition Liens and the prepetition financing relationship between Debtors, Prepetition Agent and Prepetition Lenders; (2) as of the Filing Date, Debtors are liable for payment of the Prepetition Debt, and the Prepetition Debt shall be an allowed claim in an amount not less than \$110,985,264.16 in the aggregate, exclusive of accrued and accruing Allowable 506(b) Amounts; (3) the Prepetition Debt constitutes the legal, valid and binding obligation of Debtors, enforceable in accordance with the terms of the Prepetition Documents; (4) no offsets, defenses or counterclaims to the Prepetition Debt exist, and no portion of the Prepetition Debt is subject to avoidance, recharacterization or subordination pursuant to the Code or applicable nonbankruptcy law; (5) the Prepetition Liens, among other things, secure payment of all of the Prepetition Debt; and (6) the Prepetition Liens are First Priority Liens, subject only to Permitted Liens.

D. Subject to Paragraph 9(a) of this Order, Debtors represent, and the Court finds that upon the entry of this Order, Prepetition Agent's (on behalf of the Prepetition Lenders) interests in the Prepetition Collateral will be adequately protected. Such finding is made without prejudice to Prepetition Agent's right (on behalf of the Prepetition Lenders) to later assert that their respective interests in the Prepetition Collateral lack adequate protection.

E. A Committee has been appointed in these Cases.

F. An immediate need exists for Debtors to use Cash Collateral and to obtain Postpetition Debt in order to enable Debtors to minimize disruption to and to avoid the

termination of their business operations. Entry of this Order will also enhance the possibility of a successful reorganization.

G. Debtors are unable to obtain unsecured credit allowable under Code § 503(b)(1) sufficient to finance the operations of Debtors' businesses. Except as provided below, Debtors are unable to obtain credit allowable under Code §§ 364(c)(1), (c)(2) or (c)(3) on terms more favorable than those offered by Postpetition Agent and Postpetition Lenders.

H. The terms of the Postpetition Debt have been negotiated in good faith and at arms' length, and the Postpetition Debt is being extended in good faith, as that term is used in Code § 364(e).

I. Under the circumstances of the Cases, the terms and conditions of this Order are a fair and reasonable response to Debtors' request for Agents' and Lenders' consent to the use of Cash Collateral and for Debtors' incurrence of Postpetition Debt, and the entry of this Order is in the best interest of Debtors' estates and their creditors.

J. The notice provided by Debtors of the Motion, the hearing on the Motion, and the entry of this Order satisfy the requirements of Fed. R. Bankr. P. 2002, 4001(b) and (c) and 9014 and Code §§ 102(1), 363 and 364(c) and were otherwise sufficient and appropriate under the circumstances.

WHEREFORE, IT IS HEREBY ORDERED THAT THE MOTION IS GRANTED, AND THAT:

1. Authorization to Use Cash Collateral. Debtors are authorized to use Cash Collateral solely: (a) in accordance with and pursuant to the terms and provisions of this Order; and (b) to the extent required to pay those expenses enumerated in the Budget as and when such expenses become due and payable. Prior to the Termination Date and indefeasible payment in full in cash of the Postpetition Debt, Debtors may not use or seek to use Cash Collateral other than pursuant to the terms of this Order. Notwithstanding anything to the contrary in this Paragraph 1, however, Debtors are hereby authorized to use Cash Collateral at any time to pay the Postpetition Charges and the Carveout.

2. Procedure for Use of Cash Collateral.

(a) Delivery of Cash Collateral to Postpetition Agent. Debtors shall deposit all Cash Collateral now or hereafter in their possession or under their control into the existing Blocked Account (or otherwise deliver all such Cash Collateral to Postpetition Agent in a manner satisfactory to Postpetition Agent) promptly upon receipt thereof. Subject to Paragraph 6(d), such Cash Collateral shall thereafter be remitted to Debtors by Postpetition Agent, and used by Debtors, solely to the extent Debtors are permitted to use such Cash Collateral under Paragraph 1 of this Order.

(b) Cash Collateral in Agents' or Lenders' Possession. Postpetition Agent is authorized to collect upon, convert to cash and enforce checks, drafts, instruments and other forms of payment now or hereafter coming into its or any Lender's possession or under its or any Lender's control which constitute Aggregate Collateral or proceeds of Aggregate Collateral.

3. Authorization To Incur Postpetition Debt.

(a) Postpetition Documents. Debtors are hereby authorized and have agreed to: (1) execute the Postpetition Documents, including all documents that Postpetition Agent and Postpetition Lenders find necessary to implement the transactions contemplated by the Postpetition Documents, and to make immaterial modifications thereto, if Debtors receive the prior written consent of Postpetition Agent and Postpetition Lenders, without further order of this Court; and (2) perform their obligations under and comply with all of the terms and provisions of the Postpetition Documents and this Order. Upon execution and delivery thereof, the Postpetition Credit Agreement and other Postpetition Documents shall constitute valid and binding obligations of Debtors enforceable in accordance with their terms. To the extent there exists any conflict among the Motion, the Postpetition Documents, the terms of the Interim Order and the terms of this Order with respect to any term of the Postpetition Debt or Postpetition Collateral, this Order shall govern and control.

(b) Permitted Uses of Postpetition Debt. Debtors are authorized and have agreed to incur Postpetition Debt solely: (a) in accordance with the terms and

provisions of this Order; and (b) to the extent that Cash Collateral is not otherwise available and permitted to be used in accordance with Paragraph 1, to the extent required to pay those expenses enumerated in the Budget as and when such expenses become due and payable, subject to the Permitted Variance. Notwithstanding anything to the contrary in this Paragraph 3, however: (1) Debtors are hereby authorized and have agreed to incur the Postpetition Debt (x) to pay Postpetition Charges and the Carveout when due and payable, and (y) to make Employee Incentive Program Payments; and (2) if Postpetition Lenders advance monies to Debtors and Debtors use such monies other than in accordance with or pursuant to the terms or provisions of this Order, such advances shall be considered Postpetition Debt for purposes of this Order.

(c) Additional Terms of Postpetition Debt.

(i) Maximum Amount. The maximum principal amount of Postpetition Debt outstanding shall not at any time exceed the aggregate amount of \$5,000,000. No other DIP Loans shall be made under the Postpetition Credit Agreement, other than revolving advances of Postpetition Debt in accordance with this Order.

(ii) Interest. The Postpetition Debt shall bear interest at a per annum rate equal to five percent (5%) per annum plus the "Base Rate" (as defined in the Postpetition Credit Agreement).

(iii) Closing Fee. Debtors shall pay to Postpetition Agent, for the benefit of Postpetition Lenders, a closing fee (the "Closing Fee") in an amount equal to (1) 4% of the Interim DIP Amount, which portion of the Closing Fee shall be fully earned and payable to Postpetition Agent (for the benefit of the Postpetition Lenders) immediately upon the closing of the Postpetition Credit Agreement, and (2) 4% of the DIP Commitment less the Interim DIP Amount, which portion of the Closing Fee shall be fully earned, due and payable to Postpetition Agent (for the benefit of the Postpetition Lenders) upon entry of this Order.

(iv) Commitment Fees. Debtors shall pay to Postpetition Agent, for the benefit of Postpetition Lenders, commitment fees for the period from the "Closing Date" (as defined in the Postpetition Credit Agreement) to the Termination Date equal to the average of the daily excess of the DIP Commitments over the aggregate principal amount of outstanding Postpetition Debt, multiplied by 0.50% per annum, such commitment fees to be calculated on the basis of a

365-day or 366-day year, as the case may be, and the actual number of days elapsed and to be payable monthly in arrears on the last day of each calendar month, commencing on the first such day to occur after the Closing Date, and on the Termination Date.

(v) Maturity. The Postpetition Debt shall mature and be due and payable in full by Debtors on the Termination Date.

(vi) Guarantors. Each Guaranty and related security documents shall remain in full force and effect notwithstanding the entry of this Order and any subsequent orders amending this Order or otherwise providing for the use of Cash Collateral consented to by Agents and Lenders pursuant to Code § 363 or additional financing by Postpetition Agent and Postpetition Lenders pursuant to Code § 364. Each Guarantor is and shall remain liable for the guaranteed obligations under each such Guaranty, including, without limitation, all Postpetition Debt, and any refinancing thereof.

(vii) Joint and Several Liability of Debtors. The obligations of each Debtor under this Order shall be joint and several.

(viii) Control Agreements. All "Control Agreements" (as defined in the Prepetition Credit Agreement) in effect as of the Filing Date shall remain in full force and effect notwithstanding the entry of this Order and any subsequent orders amending this Order.

(d) Superpriority Administrative Expense Status; Postpetition Liens.

The Postpetition Debt is hereby granted superpriority administrative expense status under Code § 364(c)(1), with priority over all costs and expenses of administration of the Cases that are incurred under any provision of the Code, excluding only the Carveout. In addition, Postpetition Agent (on behalf of the Postpetition Lenders) is hereby granted the Postpetition Liens to secure the Postpetition Debt. The Postpetition Liens: (1) are and shall be in addition to the Prepetition Liens; (2) pursuant to Code §§ 364(c)(2), (c)(3) and 364(d), are and shall be First Priority Liens (subject only to Permitted Liens) without any further action by Debtors or Postpetition Agent and without the execution, filing or recordation of any financing statements, security agreements, mortgages or other documents or instruments; (3) shall not be subject to any security interest or lien which is avoided and preserved under Code § 551; and (4) shall remain in full force and effect notwithstanding any subsequent conversion or dismissal of the Cases. Notwithstanding the foregoing, Debtors are authorized and at the request of Postpetition Agent shall execute and deliver to Postpetition Agent such

financing statements, mortgages, instruments and other documents as Postpetition Agent may deem necessary or desirable from time to time. Any such financial statements, mortgages, instruments, or other documents filed by Postpetition Agent shall be deemed to have been filed as of the Filing Date.

4. Carveout.

(a) Carveout Terms. With respect to each Carveout Professional: (1) the Carveout for such Carveout Professional shall equal an aggregate amount not to exceed the lesser of (i) the aggregate monthly line item amounts as provided in the Budget for such Carveout Professional for the period commencing on the Filing Date and ending on the Termination Date and (ii) the aggregate amount of allowed fees and expenses of such Carveout Professional that accrue during the period commencing on the Filing Date and ending on the Termination Date; (2) the Carveout shall be reduced on a dollar-for-dollar basis by any payments of fees and expenses of such Carveout Professional; (3) all property of the estate (other than property subject to an unavoidable lien in favor of Agents) shall be used to pay for any fees or expenses of the Carveout Professionals before payments of such fees or expenses are made from proceeds of the Postpetition Debt or the Aggregate Collateral; (4) Postpetition Agent shall have the right to reserve against the DIP Commitment an amount equal to the sum of the aggregate amount of fees and expenses set forth in the Budget for the Carveout Professionals (less Retainers); (5) after the Termination Date and notwithstanding anything herein to the contrary, Postpetition Agent and Postpetition Lenders shall provide Postpetition Debt to the Debtors for the sole purpose of enabling the Debtors to fund (i) the Carveout amount determined in clause (1) above for such Carveout Professionals (less such amounts of Postpetition Debt provided to Debtors to fund the Carveout for such Carveout Professionals prior to the Termination Date) and (ii) the Retainers, to the extent the Retainers have not already been funded, which amounts shall be deposited with Lowenstein Sandler PC, as escrowee, subject to an escrow agreement in form and substance acceptable to the Postpetition Lenders, and placed in a segregated interest bearing account to be established pursuant to and subject to the terms of an order of the Court for purposes of satisfying any amount which is determined by this Court to be an allowed amount due and owing to the

applicable Carveout Professional, provided that any portion of the Carveout Escrow in excess of the amount necessary to satisfy the allowed fees and expenses of the Carveout Professionals shall be remitted to the Prepetition Agent for application first, to the Postpetition Obligations and second, to the Prepetition Obligations; and (6) except as set forth in clause (5) above, Postpetition Agent and Postpetition Lenders shall have no obligation to fund any fees or expenses accrued on, prior to, or after the Termination Date and that the Carveout Professionals shall be permitted to use the amount of their unused Retainers to pay for such Carveout Professional's fees and expenses first accrued after the Termination Date.

(b) Carveout Usage. No portion of the Carveout and no Postpetition Debt or Aggregate Collateral may be used to pay any fees or expenses incurred by any entity, including Debtors, any Committee or the Carveout Professionals, in connection with claims, actions or services adverse to Agents, Lenders, or Agents' or Lenders' interests in the Aggregate Collateral, including (1) preventing, hindering or delaying Agents' or Lenders' enforcement or realization upon any of the Aggregate Collateral once an Event of Default has occurred, (2) using or seeking to use Cash Collateral or selling any other Aggregate Collateral without Agents' and Lenders' consent, (3) incurring indebtedness without Agents' and Lenders' consent, or (4) pursuant to Paragraph 9(a), in an adversary proceeding or contested matter, objecting to or contesting in any manner, or in raising any defenses to, the validity, extent, amount, perfection, characterization, priority or enforceability of the Aggregate Debt or any mortgages, liens or security interests with respect thereto or any other rights or interests of Agents and Lenders, or in asserting any claims or causes of action, including, without limitation, any actions under chapter 5 of the Code, against Agents or Lenders; provided, however, that the foregoing shall not apply to costs and expenses incurred by the professionals retained by any Committee in connection with (i) the investigation of the extent, validity and priority of the Prepetition Liens, in an amount not to exceed \$40,000 or (ii) the preparation of any objection to this Order or the order(s) approving the motions for approval of the sale of all or substantially all of the Debtors' assets and the procedures relating thereto, so long as such action or objection is not related to the validity, extent, amount, perfection, characterization, priority or enforceability of the Aggregate Debt, the

Prepetition Liens of the Postpetition Liens. Nothing herein shall be construed as consent to the allowance of any fees or expenses of the Carveout Professionals or shall affect the right of Agents and Lenders to object to the allowance and payment of such fees, costs or expenses. The Carveout may be used to pay fees and expenses incurred by the Carveout Professionals in connection with the negotiation, preparation and entry of this Order or any amendment hereto consented to by Postpetition Agent and Postpetition Lenders.

(c) Carveout Procedure. Nothing herein shall be construed as consent by Agents and Lenders to the allowance of any fees or expenses of the Carveout Professionals or shall affect the right of Agents or any Lender to object to the allowance and payment of such fees, costs or expenses, or the right of Agents or any Lender to the return of any portion of the Carveout that is funded with respect to fees and expenses for a Carveout Professional that are approved on an interim basis that are later denied on a final basis. For the avoidance of doubt, no Carveout Professional shall be entitled to any portion of the Carveout allocated for any other Carveout Professional in the Budget.

5. Termination of Right to Use Cash Collateral And To Incur Postpetition Debt.

(a) Termination Date. Unless extended by the Court upon the written agreement of Postpetition Agent and the Requisite DIP Lenders (as defined in the Postpetition Credit Agreement), this Order and Debtors' authorization to use Cash Collateral and incur Postpetition Debt pursuant to this Order will automatically terminate on the Termination Date without further notice or order of Court.

(b) Rights Upon Termination. Upon the Termination Date, without further notice or order of the Court, at Postpetition Agent's election: (1) the Postpetition Debt shall be immediately due and payable; (2) Postpetition Agent shall be entitled to apply or set off any cash in any Lender's possession or control to the Postpetition Debt in accordance with Paragraph 6(d) of this Order, until such Postpetition Debt is indefeasibly and finally paid in full in cash, provided, however, that following the Termination Date, Postpetition Agent shall not apply or set off any cash in any Lender's possession or control

until the fifth (5th) business day following the Termination Date; and (3) Debtors shall be prohibited from using any Cash Collateral for any purpose other than application to the Postpetition Debt in accordance with Paragraph 6(d) of this Order, until such Postpetition Debt is indefeasibly and finally paid in full in cash. On the fifth business day after the Termination Date: (1) at Postpetition Agent's election (and at the direction of "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement)), without further order of the Court, Agents and Lenders shall have automatic and immediate relief from the automatic stay with respect to the Aggregate Collateral (without regard to the passage of time provided for in Fed. R. Bankr. P. 4001(a)(3)), and shall be entitled to exercise all rights and remedies available to them under the Prepetition Documents, the Postpetition Documents and applicable nonbankruptcy law with respect to the Aggregate Collateral; and (2) at Postpetition Agent's election (and at the direction of "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement)), Debtors shall surrender the Aggregate Collateral and otherwise cooperate to assist Agents in the exercise of the rights and remedies available to Agents under the Prepetition Documents, the Postpetition Documents and applicable nonbankruptcy law with respect to the Aggregate Collateral (provided, however, that during the five (5) day period following the Termination Date, the Debtors and any other party in interest shall have the right to seek an order of this Court determining that the Termination Date, or the occurrence and continuation of an Event of Default alleged to have given rise to the Termination Date, has not occurred; provided further, however, that during such five (5) day period, Postpetition Agent and Postpetition Lenders shall have no obligation to advance Postpetition Debt to Debtors).

6. Adequate Protection of Interests of Prepetition Agent and Prepetition Lenders in the Prepetition Collateral and the Prepetition Liens. As adequate protection of the interests of Prepetition Agent (for the benefit of the Prepetition Lenders) in the Prepetition Collateral as and to the extent required under Code §§ 361, 362, 363 or 364 (including for any decrease in the value of such interests in the Prepetition Collateral from and after the Filing Date):

(a) Priority of Prepetition Liens/Allowance of Prepetition Lenders'

Claim. Subject to the terms of Paragraph 9(a) of this Order: (1) the Prepetition Liens shall constitute First Priority Liens, subject only to the Postpetition Liens, the Permitted Liens and, as applicable, the Replacement Liens; (2) the Prepetition Debt constitutes the legal, valid and binding obligation of Debtors, enforceable in accordance with the terms of the Prepetition Documents; (3) no offsets, defenses or counterclaims to the Prepetition Debt exist, and no portion of the Prepetition Debt is subject to avoidance, recharacterization or subordination pursuant to the Code or applicable nonbankruptcy law; and (4) Prepetition Agent's and Prepetition Lenders' claim with respect to the Prepetition Debt shall for all purposes constitute an allowed claim within the meaning of Code § 506 in an amount not less than \$110,985,264.16 in the aggregate, exclusive of accrued and accruing Allowable 506(b) Amounts. Subject to the terms of Paragraph 9(a) of this Order, Debtors waive, release, discharge and acquit Prepetition Agent, Prepetition Lenders and their respective officers, directors, principals, attorneys, consultants, predecessors in interest, and successors and assigns of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations, of every type, which occurred on or prior to the date of entry of this Order with respect to or in connection with the Prepetition Debt, the Prepetition Documents or otherwise.

(b) Replacement Liens. Prepetition Agent (for the benefit of Prepetition Lenders) is hereby granted the Replacement Liens as security for payment of the Prepetition Debt. Subject to the terms of Paragraph 9(a) of this Order, the Replacement Liens: (1) are and shall be in addition to the Prepetition Liens; (2) are and shall be First Priority Liens, subject to Postpetition Liens and Permitted Liens, that are properly perfected, valid and enforceable without any further action by Debtors, Prepetition Agent or Prepetition Lenders and without the execution, filing or recordation of any financing statements, security agreements, mortgages or other documents or instruments; and (3) shall remain in full force and effect notwithstanding any subsequent conversion or dismissal of the Cases. Notwithstanding the foregoing, Debtors are authorized to and, at the request of Postpetition Agent, shall execute and deliver to Prepetition Agent such financing statements, mortgages,

instruments and other documents as Prepetition Agent may deem necessary or desirable from time to time.

(c) Allowed Code § 507(b) Claim. If and to the extent the adequate protection of the interests of Prepetition Agent and Prepetition Lenders in the Prepetition Collateral granted to Prepetition Agent and Prepetition Lenders pursuant to this Order proves insufficient, Prepetition Agent and Prepetition Lenders shall have an Allowed Claim under Code § 507(b) to the extent of any diminution of the value of the interests of Prepetition Agent and Prepetition Lenders in the Prepetition Collateral, subject to the Carveout, in the amount of any such insufficiency, with priority over: (1) all costs and expenses of administration of the Cases (other than Postpetition Agent's and Postpetition Lenders' claims under Code § 364) that are incurred under any provision of the Code, including Code §§ 503(b), 506(c), 507(a), or 552(b); and (2) the claims of any other party in interest under Code § 507(b).

(d) Application of Cash Collateral. Postpetition Agent, at its election, is authorized to apply all Cash Collateral now or hereafter coming into Postpetition Agent's or any Postpetition Lender's possession or control as follows: (1) first, to payment of Postpetition Debt consisting of Postpetition Charges; and (2) second, to payment of other Postpetition Debt in accordance with the Postpetition Credit Agreement. All such applications to Postpetition Debt shall be final and not subject to challenge by any person, including any Trustee. Notwithstanding anything herein to the contrary, in the event that no Postpetition Debt is outstanding, Debtors may use Cash Collateral to pay expenses in accordance with the Budget as authorized hereunder.

(e) Prohibition Against Use of Cash Collateral. Debtors will not use or seek to use Cash Collateral, unless, in addition to the satisfaction of all requirements of Code § 363 for the use of such Cash Collateral: (a) Agents and Lenders have consented to such order; (b) at the time of the entry of such an order, there is no Postpetition Debt outstanding, and no obligation of Postpetition Lenders to extend additional Postpetition Debt; or (c) such Cash Collateral is first used to immediately and indefeasibly finally pay the Postpetition Debt in cash in full.

(f) Prohibition Against Additional Debt. Debtors will not incur or seek to incur debt secured by a lien which is equal to or superior to the Aggregate Liens, or which is given superpriority administrative expense status under Code § 364(c)(1), unless, in addition to the satisfaction of all requirements of Code § 364 for the incurrence of such debt: (a) Agents and Lenders have consented to such order; (b) at the time of the entry of such an order, there is no Postpetition Debt outstanding, and no obligation of Postpetition Lenders to extend additional Postpetition Debt; or (c) such credit or debt is first used to immediately and indefeasibly pay the Postpetition Debt in cash in full.

(g) No Surcharge. Debtors represent that the Budget contains all expenses that are reasonable and necessary for the operation of their businesses, including all expenses that are reasonable and necessary to preserve the value of the Aggregate Collateral, through the period for which the Budget runs. In reliance on the representation by Debtors that the Budget includes all items that are reasonable and necessary to preserve the value of the Aggregate Collateral and therefore includes all items potentially chargeable to Agents and Lenders under Code § 506(c), Agents and Lenders have agreed to the entry of this Order. Debtors represent that the Budget also includes items that are not chargeable to Agents or Lenders under Code § 506(c). In the exercise of their business judgment, and in consideration of Agents' and Lenders' agreement to allow Debtors to use the proceeds of the Postpetition Debt in accordance with this Order, to pay both the items which are, and which are not, chargeable to Agents and Lenders under Code § 506(c), there shall be no surcharge of the Aggregate Collateral for any purpose. Therefore, at no time during the Cases shall the surcharge provisions of Code § 506(c), the enhancement of collateral provisions of Code § 552, or any other legal or equitable doctrine (including, without limitation, unjust enrichment) be imposed upon Agents or Lenders or any of the Aggregate Collateral for the benefit of any party in interest, including, without limitation, Debtors, any Committee, any of the Carveout Professionals, or any Trustee.

(h) Right to Credit Bid. In all events, pursuant to Code § 363(k), (1) Postpetition Agent (acting by agreement at the direction of the requisite Postpetition Lenders) shall have the right to use the Postpetition Debt or any part thereof to credit bid

with respect to any bulk or piecemeal sale of all or any portion of the Aggregate Collateral, (2) Prepetition Agent (acting by agreement at the direction of the requisite Postpetition Lenders) shall have the right to use the Prepetition Debt or any part thereof to credit bid with respect to any bulk or piecemeal sale of all or any portion of the Aggregate Collateral, so long as any such credit bid by Prepetition Agent provides for a cash payment sufficient to repay the Postpetition Debt in full in cash, and (3) subject to any separate written agreements among the Prepetition Lenders, each Prepetition Lender shall have the right to use its portion of the Prepetition Debt as part of a credit bid for any bulk or piecemeal sale of all or any portion of the Aggregate Collateral, so long as (i) any credit bid by such Prepetition Lender provides for a cash payment sufficient to repay the Postpetition Debt in full in cash and (ii) except for the portion of such bid equal to the amount of the bid multiplied by a percentage equal to such Prepetition Lender's ratable share of the Prepetition Debt, such bid is in cash.

(i) Plan. Unless Postpetition Agent (acting by agreement at the direction of the requisite Postpetition Lenders) consents thereto, no Debtor shall seek entry of an order confirming a plan in these Cases unless, in connection and concurrently with the entry of an order granting the relief requested in such motion, the Postpetition Debt is paid in full in cash on the earlier of: (1) the effective date thereof, and (2) the Termination Date, notwithstanding anything to the contrary in any such order confirming a plan.

(j) Waiver of Right to Return/Consent to Setoff. Debtors hereby waive their rights: (1) to return any of the Aggregate Collateral pursuant to Code § 546(h); (2) to consent to any order permitting any claims pursuant to Code § 503(b)(9), unless Debtors have received prior written consent from Postpetition Agent; and (3) to consent to setoff pursuant to Code § 553.

(k) Indemnification. Debtors shall indemnify and hold harmless Postpetition Agent and Postpetition Lenders pursuant to Section 10.3 of the Postpetition Credit Agreement, and Prepetition Agent and Prepetition Lenders pursuant to Section 10.3 of the Prepetition Credit Agreement, and as further described herein.

(l) No Marshaling. No Agent nor any Lender nor any of the Aggregate Collateral shall be subject to the doctrine of marshaling.

7. Sale Covenants. To effectuate the sale process for all or substantially all of Debtors' assets, Debtors have agreed to:

(a) Sale Procedures. Obtain, on or before May 14, 2009, one or more Court orders approving the procedures for the sale of all or substantially all of Debtors' assets, which procedures shall be in form and substance satisfactory to Agents and Required Lenders.

(b) Auction. Conduct, on or before May 28, 2009, one or more auctions for the sale of all or substantially all of the Debtors' assets.

(c) Sale Order. Obtain, on or before June 2, 2009, one or more orders of the Court approving the sale of all or substantially all of the Debtors' assets, which order shall be in form and substance satisfactory to Agents and Required Lenders.

(d) Sale Closing. Consummate, on or before June 4, 2009, one or more sales of all or substantially all of the Debtors' assets, on terms and conditions satisfactory to Agents and Required Lenders (the "Sale Closing").

Debtors, Postpetition Agent and Required Lenders may agree to amend or modify the foregoing sale covenants without the need of further notice and hearing or order of this Court (other than a notice of such amendment or modification to be filed with this Court).

8. Miscellaneous Provisions.

(a) Postpetition Charges. All Postpetition Charges (except those Postpetition Charges consisting of accrued and unpaid expenses incurred by the Prepetition Agent and the Prepetition Lenders in connection with the Prepetition Debt that constitute "Obligations" under and as defined in the Postpetition Credit Agreement (the "Assumed Prepetition Debt Expenses")) are hereby approved and shall be promptly paid by Debtors in

accordance with this Order and the Postpetition Documents, and Debtors are hereby authorized to pay the Postpetition Charges (other than the Assumed Prepetition Debt Expenses) without the necessity of Debtors, Postpetition Agent or Postpetition Lenders filing any further application with the Court for approval or payment of the Postpetition Charges. Further, if no objection is made to such expenses in accordance with the terms of Paragraph 9(a) of this Order, all Assumed Prepetition Debt Expenses are approved and shall be promptly paid by Debtors in accordance with this Order and the Postpetition Documents without any further application to the Court for approval or payment of such Assumed Prepetition Debt Expenses.

(b) Force and Effect of Prepetition Documents. Except as modified herein and subject to the other provisions of this Order and the Code, the Prepetition Documents, and the terms and provisions thereof, shall remain in full force and effect with respect to the Prepetition Debt. To the extent there exists any conflict among the Motion, the Prepetition Documents, the Interim Order and the terms of this Order, this Order shall govern and control.

(c) Modification of Stay. The automatic stay of Code § 362 is hereby modified with respect to Agents and Lenders to the extent necessary to effectuate the provisions of this Order, including, after the Termination Date, to permit Agents and Lenders to exercise their respective rights contemplated by Paragraph 5(b) above.

(d) Financial Information. Debtors hereby agree to deliver to Agents and Lenders such financial and other information concerning the business and affairs of Debtors and any of the Aggregate Collateral as may be required pursuant to the Prepetition Documents, the Postpetition Documents and/or as Agents and Lenders shall reasonably request from time to time, in addition to providing Agents and Lenders, on the first business day of each week through the Termination Date, with a written comparison of Debtors' actual performance during the prior week ending Friday compared to such prior week as described in the Budget. Simultaneously, such information shall also be delivered by the Debtors to the professionals advising the Committee, so long as each recipient has agreed to keep such information confidential; provided, however, that the Committee shall not be authorized or

required pursuant to Section 1102(b)(3)(A) of the Bankruptcy Code to provide the creditors it represents with access to any confidential, privileged, proprietary or non-public information, or any other information if the effect of such disclosure would constitute a waiver of any privilege of or confidentiality agreement between the Committee and the Debtors, unless such creditors also agree to keep such information confidential in a manner reasonably acceptable to the Debtors. Each Debtor is also directed to allow Agents and Lenders or their respective agents' and financial advisors access to Debtors' facilities at any time for the purpose of enabling Agents and Lenders to inspect and audit the Aggregate Collateral and the Debtors' books and records.

(e) Insurance. Debtors hereby agree to deliver to Agents evidence satisfactory to Agents, that the Aggregate Collateral is insured for the full replacement value thereof, that all insurance policies required by the Prepetition Documents or the Postpetition Documents or obtained in connection with the Aggregate Collateral are maintained in full force and effect, and that Agents are named as loss payee on all such property insurance policies and named as additional insured on all such liability policies as their interests may appear.

(f) No Waiver. This Order shall not constitute a waiver by Prepetition Agent or the Prepetition Lenders of any of their rights under the Prepetition Documents, the Code or applicable nonbankruptcy law, including without limitation: (1) their right to later assert that, notwithstanding the terms and provisions of this Order, any of their interests in the Aggregate Collateral lack adequate protection within the meaning of Code §§ 362(d) or 363(e) or any other provision thereof; or (2) their right to later assert a claim under Code § 507(b). Further, Agents' or Lenders' failure, at any time or times hereafter, to require strict performance by Debtors (or by any Trustee) of any provision of this Order, the Prepetition Documents or the Postpetition Documents shall not waive, affect or diminish any right of Agents or any Lender thereafter to demand strict compliance and performance therewith. No delay on the part of Agents or Lenders in the exercise of any right or remedy under this Order, the Prepetition Documents, the Postpetition Documents, the Code, or applicable nonbankruptcy law shall preclude any other or further exercise of any right or

remedy. Agents and Lenders shall not be deemed to have suspended or waived any of their rights or remedies under this Order, the Prepetition Documents, the Postpetition Documents, the Code, and applicable nonbankruptcy law unless such suspension or waiver is in writing, signed by a duly authorized officer of Agents or the Lenders, as applicable, and directed to Debtors.

(g) "Responsible Person." By accepting the Budget submitted to them by Debtors and by taking any other actions pursuant to this Order, Postpetition Agent and Postpetition Lenders shall not: (1) be deemed to be in control of the operations or liquidation of Debtors; or (2) be deemed to be acting as a "responsible person" with respect to the operation, management or liquidation of Debtors.

(h) Release. Upon the date that the Postpetition Debt is paid in full, in cash, and prior to the release of the Postpetition Liens, Debtors shall execute and deliver to Postpetition Agent and Postpetition Lenders a general release of any and all claims and causes of action that could have been asserted or raised under or in connection with the Postpetition Documents.

(i) Amendments. Debtors, Postpetition Agent and "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement) may enter into any amendments or modifications of the Postpetition Documents or the Budget without the need of further notice and hearing or order of this Court; provided, that (a) such modifications or amendments do not materially and adversely affect the rights of any creditor or other party-in-interest, (b) notice of any such amendment or modification is filed with this Court, and (c) Debtors make reasonable efforts, as permitted by the circumstances, to consult with the Committee regarding such amendments or modifications.

(j) Account Debtors. Without further order of court, Postpetition Agent may direct Debtors to, or Postpetition Agent may directly, instruct all account debtors of existing and future accounts receivable included in the Aggregate Collateral to make payments directly into such Blocked Account or such other accounts satisfactory to

Postpetition Agent, in which event all such proceeds shall be treated in accordance with the provisions of this Order.

(k) Master Proof of Claim. The stipulations and findings set forth in this Order with respect to the Prepetition Debt shall constitute an informal proof of claim in respect thereof. Notwithstanding the foregoing, Prepetition Agent is authorized (but not obligated) to file a single master proof of claim in the Cases on behalf of itself and the Prepetition Lenders on account of their claims arising under the Prepetition Documents and hereunder (the "Master Proof of Claim"). The Master Proof of Claim shall be deemed filed as a claim against each of the Debtors notwithstanding any subsequent order of Court concerning proof of claim filing requirements. The claims of Prepetition Agent and Prepetition Lenders as set forth in the Master Proof of Claim shall be allowed and disallowed as if each such entity had filed a separate proof of claim in the amounts set forth in the Master Proof of Claim.

(l) Budget Amendment. The Budget shall be deemed amended by replacing the reference to \$100,000 in the column entitled Creditor's Committee Payments with \$150,000.

9. Binding Effect.


(a) Stipulations and Findings. Notwithstanding anything herein or in the Postpetition Documents to the contrary, from the Filing Date until the date that is the earliest of (1) seventy-five (75) days after the Filing Date, and (2) the first business day preceding the date scheduled for the auction (as set forth in Paragraph 7(b)) (such period, the "Investigation Period"), the Committee, any Trustee, or other party-in-interest with the requisite standing (each, a "Challenge Party"), shall be entitled to determine whether there exists a basis to assert a Challenge; provided, however, that if a Challenge Party provides written notice to the Postpetition Lenders of a bona fide dispute in respect of a potential Challenge prior to the expiration of the Investigation Period or of an inability to complete the investigation due to the failure to receive requested documentation after good faith efforts (provided that such requests for documentation have been received seven (7) days prior to the

expiration of the Investigation Period), the Investigation Period shall be deemed extended by 10 days solely with respect to such identified dispute. If such Challenge Party determines that there may be a Challenge, it must notify the Debtors during the Investigation Period of its demand that the Debtors initiate an appropriate action or adversary proceeding relating thereto and the Debtors shall have (i) five (5) days thereafter to notify the Challenge Party whether the Debtors intend to initiate such action or adversary proceeding and (ii) ten (10) days from the Challenge Party's notice to initiate such action or adversary proceeding. If and to the extent the Debtors receive timely notice of a Challenge by any Challenge Party and such Challenge is timely filed in accordance with this Paragraph, the stipulations, representations and findings in Paragraphs C, D, 6(a) and 6(b) shall not apply to such timely asserted Challenge until such Challenge is resolved by a final non-appealable order. If no such action is filed or taken during the time period set forth in this Paragraph 9(a) (or such other later date as extended by the written consent of Prepetition Agent and Prepetition Lenders, each with respect to any continuation of the Investigation Period against such party, or by an order of this Court, for cause shown), the stipulations, representations, and findings in Paragraphs C and D of this Order, and the relief granted by and release contained in Paragraphs 6(a) and 6(b) of this Order, shall be binding on all parties in interest in the Cases and their respective successors and assigns (including, without limitation, any Trustee). Nothing herein shall be deemed to grant standing in favor of any Challenge Party with respect to any Challenge absent further order of this Court and nothing herein shall preclude any Challenge Party from seeking standing (subject to objection by any other party in interest). The Debtors, if timely notified of a Challenge, shall retain the authority to prosecute, settle or compromise such Challenge in the exercise of their business judgment and subject to any applicable further order of court. For purposes of this Paragraph, any trustee appointed or elected in these cases shall, until the expiration of the Investigation Period described above and thereafter for the duration of any litigation commenced by the filing of a complaint or motion as described in this Paragraph (whether commenced by such trustee or commenced by any other party in interest on behalf of the Debtors' estates), be deemed to be a party "other than the Debtor" and shall not, for purposes of such litigation, be bound by the acknowledgments, admissions and confirmations of the Debtors in this Order,

to the extent such acknowledgments, admissions and confirmations have been properly challenged in accordance with the terms of this Order.

(b) Order. Except as provided in Paragraph 9(a) herein, this Order shall be binding on all parties in interest in the Cases and their respective successors and assigns, including any Trustee, except that any Trustee shall have the right to terminate this Order after notice and a hearing. If, in accordance with Code § 364(e), this Order does not become a final nonappealable order, if a Trustee terminates this Order, or if any of the provisions of the Order are hereafter modified, amended, vacated or stayed by subsequent order of this Court or any other court, such termination or subsequent order shall not affect: (1) subject to Paragraph 9(a) of this Order, the stipulations, representations, and findings contained in Paragraphs C and D of this Order and the relief granted by and the release contained in Paragraphs 6(a) and 6(b) of this Order; and (2) the priority, validity, enforceability or effectiveness of any lien, security interests or any other benefit or claim authorized hereby with respect to any Cash Collateral used, Postpetition Debt incurred or adequate protection granted prior to the effective date of such termination or subsequent order. All such liens, security interests, claims and other benefits shall be governed in all respects by the original provisions of this Order, and Agents and Lenders shall be entitled to all the rights, remedies, privileges and benefits granted hereto, including the liens and priorities granted herein, with respect to the Postpetition Debt. Except as otherwise explicitly set forth in this Order, no third party is intended to be, or shall be deemed to be, a third party beneficiary of this Order.

(c) Survival. The provisions of this Order, and any actions taken pursuant to or in reliance upon the terms hereof, shall survive entry of, and govern in the event of any conflict with, any order which may be entered in the Cases: (1) confirming any chapter 11 plan; (2) converting any Case to a case under chapter 7; or (3) dismissing any Case. The terms and provisions of this Order, including the rights granted Agents and Lenders under Code §§ 364(c) and (d), shall continue in full force and effect until all of the Aggregate Debt and other Obligations are indefeasibly and finally paid in cash in full and discharged.


[_____] |
Hon. [_____] |
United States Bankruptcy Judge

Dated: May 4, 2009

EXHIBIT A

DEFINED TERMS

1. **Agents.** Collectively, the Prepetition Agent and the Postpetition Agent.
2. **Aggregate Collateral.** Collectively, the Prepetition Collateral and the Postpetition Collateral.
3. **Aggregate Debt.** Collectively, the Prepetition Debt and the Postpetition Debt.
4. **Allowable 506(b) Amounts.** To the extent allowable under Code § 506(b), interest at the default rate of interest as set forth in Section 2.2E of the Prepetition Credit Agreement, and all fees, costs, expenses, and other charges due or coming due under the Prepetition Documents or in connection with the Prepetition Debt (regardless of whether such fees, costs, interest and other charges are included in the Budget) to the extent allowable under Code § 506(b), including all reasonable out-of-pocket filing and recording fees, attorneys' and paralegals' fees and expenses, external and internal audit fees and expenses, closing fees, unused facility fees, letter of credit fees, and all other costs and expenses incurred by Prepetition Agent and Prepetition Lenders under the Prepetition Documents with respect to the Prepetition Debt, including such fees, costs and charges incurred before, on, or after the Filing Date in connection with: (a) the negotiation, preparation and submission of this Order and any other order or document related hereto; and (b) the representation of Prepetition Agents and Prepetition Lenders in and in connection with the Cases.
5. **Blocked Account.** Account No. 1731454 at Harris N.A.
6. **Budget.** The budget attached to this Order as Exhibit B, as amended, modified or supplemented from time to time, for different amounts or different periods, all as may be agreed to by Postpetition Agent and the "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement) from time to time.
7. **Carveout.** For the purposes of enabling Debtors' estates to pay allowed fees and disbursements of the Carveout Professionals as may be awarded from time to time pursuant to Code § 330, the aggregate amount set forth in Paragraph 4 of this Order (less the amount of Retainers paid to the Debtors' professionals), plus fees due to the United States Trustee pursuant to 28 U.S.C. § 1930; provided, however, that the Carveout may be used only subject to the terms and provisions of Paragraph 4 of this Order; provided, further, however, that the aggregate Carveout (including any Retainers) for Lowenstein Sandler PC and Graubard Miller shall be not more than \$500,000 and the aggregate Carveout (including any Retainer) for the Committee's professionals shall not exceed \$150,000.
8. **Carveout Professionals.** Lowenstein Sandler PC, Carl Marks & Co., Inc., Graubard Miller, Landis Rath & Cobb and professionals authorized by the Court to be retained by the Committee or Debtors.

9. **Cases.** The chapter 11 cases or any superseding chapter 7 cases of the Debtors.

10. **Cash Collateral.** All "cash collateral," as that term is defined in Code § 363(a), in which Agents (on behalf of Lenders) have an interest, all deposits subject to setoff rights in favor of Agents and Lenders, and all cash arising from the collection or other conversion to cash of the Aggregate Collateral, including from the sale of inventory and the collection of accounts receivable.

11. **Challenge.** A claim or cause of action challenging the validity, perfection, enforceability, characterization and extent of the Prepetition Liens or any other claims or causes of action against the Prepetition Agent and Prepetition, which Debtors, the Committee, or another party-in-interest may bring, in accordance with Paragraph 9(a) of this Order.

12. **Code.** The United States Bankruptcy Code (11 U.S.C. § 101 *et seq.*), as amended, and any successor statute. Unless otherwise indicated, all statutory section references in this Order are to the Code.

13. **Committee.** Any official creditors' committee appointed to represent unsecured creditors in these Cases pursuant to Code § 1102.

14. **DIP Commitment.** \$5,000,000.

15. **Employee Incentive Program Payments.** Employee incentive payments as and to the extent approved by the Court and consented to by Postpetition Lenders.

16. **Event of Default.** At Postpetition Agent's election, any one or more of the following: (a) the occurrence and continuance of any Event of Default first arising after the Filing Date under the Postpetition Credit Agreement; (b) Debtors fail to perform any of their obligations in strict accordance with the terms of this Order; (c) Debtors fail to comply with any of the Performance Covenants; (d) Debtors fail to comply with any of the Sale Covenants; (e) Debtors, without the consent of Agents and Lenders, seek the use of Cash Collateral other than in accordance with the terms of this Order; (f) Debtors, without the consent of Agents and Lenders, file a motion to incur debt secured by a lien with priority equal to or superior to the Postpetition Liens or which is given superpriority administrative expense status under Code § 364(c) other than in accordance with the terms of this Order; (g) Debtors file a motion to conduct a Code § 363 sale of all or part of the Aggregate Collateral on terms unacceptable to Agents and Lenders; (h) the Chief Executive Officer, Chief Financial Officer or any other key management of Debtors is removed or no longer employed in such capacity by the Debtors; (i) Debtors file a chapter 11 plan that is not acceptable to Agents and Lenders; (j) entry of any order authorizing any party in interest to reclaim any of the Aggregate Collateral with a value in excess of \$50,000, granting any party in interest relief from the automatic stay with respect to the Aggregate Collateral having a value in excess of \$50,000, or requiring that Debtors turnover any of the Aggregate

Collateral having a value in excess of \$50,000, in each case prior to full, final and indefeasible repayment of all Aggregate Debt; (k) any material representation or warranty made by Debtors in any certificate, report or financial statement delivered to Agents or any Lender proves to have been false or misleading in any material respect as of the time when made or given (including by omission of material information necessary to make such representation, warranty or statement not misleading); (l) any Case is converted to a case under chapter 7 of the Code; (m) a Trustee is appointed or elected in any Case, or an examiner with the power to operate Debtors' businesses is appointed in any Case; (n) commencement of an adversary proceeding or contested matter objecting to the extent, validity, characterization or priority of the Prepetition Debt and/or the Prepetition Liens; (o) the Interim Order, this Order or any other order of this Court is modified, amended, vacated or stayed in any manner not consented to in writing by Agents; or (p) termination of the Debtors' exclusivity. Only Postpetition Agent and Postpetition Lenders shall have the right to declare an Event of Default. In the event that an Event of Default is declared, "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement) may waive any such Event of Default without further notice, hearing or order of this Court (other than a notice of such waiver to be filed with this Court).

17. **Filing Date.** April 28, 2009.

18. **Final Hearing.** The final hearing on the Motion conducted in accordance with Fed. R. Bankr. P. 4001.

19. **First Priority Liens.** Liens which are first priority, properly perfected, valid and enforceable security interests, which are not subject to any claims, counterclaims, defenses, setoff, recoupment or deduction, and which are otherwise unavoidable and not subject to avoidance, recharacterization or subordination pursuant to any provisions of the Code, applicable nonbankruptcy law, or any agreement.

20. **Guarantors.** Collectively, Amendment I, Inc., a Virginia corporation, Leesburg Today, Inc., a Virginia corporation, Loudoun Magazine, Inc., a Virginia corporation, and Loudoun Business, Inc., a Virginia corporation.

21. **Guaranty.** That certain Subsidiary Guaranty executed by the Guarantors in favor of Prepetition Agent (for the benefit of the Prepetition Lenders) dated as of June 29, 2007.

22. **Interim DIP Amount.** The aggregate amount of disbursements set forth in the Budget for the period from the Filing Date to the date of the Final Hearing.

23. **Interim Hearing.** The interim hearing on the Motion conducted in accordance with Fed. R. Bankr. P. 4001.

24. **Interim Order.** The order authorizing the Debtors to use Cash Collateral and incur Postpetition Debt pending the Final Hearing entered at or in connection with the Interim Hearing on terms acceptable to Agents and Lenders.

25. **Lenders.** Collectively, the Prepetition Lenders and the Postpetition Lenders.

26. **Obligations.** The "Obligations", as that term is defined in the Postpetition Credit Agreement.

27. **Performance Covenants.** Calculated on a cumulative basis for the first three full weeks after the Filing Date, and thereafter on a rolling three-week basis, Debtors shall be required to as of the Friday following the Filing Date and each Friday thereafter: (a) generate operating receipts (consisting of advertising, circulation and other receipts) in an amount equal to at least 90% of the amount set forth in the Budget, subject to the Permitted Variance, (b) maintain aggregate "newsprint" disbursements, "corporate disbursements" and "other accounts payable" no greater than 10% more than the aggregate amount projected to be disbursed by the Budget, subject to the Permitted Variance, and (c) maintain aggregate "payroll disbursements" no greater than 10% more than the aggregate amount projected to be disbursed by the Budget, subject to the Permitted Variance. In addition, for each four-week calendar period occurring after the Filing Date and ending on the last day of such week, the Debtors shall incur aggregate professional fees for professionals engaged by the Debtors no greater than the aggregate amount for such professional fees set forth in the Budget for such period. "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement) may agree to amend, modify, or waive a breach of, the foregoing performance covenants without further notice, hearing or order of this Court (other than a notice of such amendment, modification or waiver to be filed with this Court).

28. **Permitted Liens.** Collectively, (a) liens in favor of third parties upon the Prepetition Collateral, which third-party liens, as of the Filing Date: (i) had priority under applicable law over the Prepetition Liens, (ii) were not subordinated by agreement or applicable law, and (iii) were non-avoidable, valid, properly perfected and enforceable as of the Filing Date; (b) the Carveout; and (c) the claim of the United States Trustee for the payment of fees under 28 U.S.C. § 1930(a).

29. **Permitted Variance.** With respect to each weekly line item in the Budget (before scheduled debt service and professional fees), an amount equal to 10% of the amount set forth in the Budget, tested on a rolling three-week basis; provided, however, that the aggregate, cumulative variance for all line items shall not exceed \$250,000.

30. **Postpetition Charges.** All fees, costs, expenses, interest at the applicable rate of interest under the Postpetition Credit Agreement and other charges due or coming due in connection with the Postpetition Debt (regardless of whether such fees, costs, interest and other charges are included in the Budget), including all reasonable out-of-pocket filing and recording fees, attorneys' fees and paralegals' fees and expenses, external and internal audit fees and expenses, closing fees, unused facility fees, letter of credit fees, consultant and financial advisor fees and expenses, all other costs and expenses incurred by the Postpetition Agent and the Postpetition Lenders in connection with the Postpetition Debt, and any accrued and unpaid expenses incurred by the Prepetition Agent and the Prepetition

Lenders in connection with the Prepetition Debt that constitute "Obligations" under and as defined in the Postpetition Credit Agreement.

31. **Postpetition Collateral.** All of the real and personal property of Debtors of any description whatsoever, wherever located and whenever arising or acquired, including all cash, accounts, inventory, equipment, fixtures, chattel paper, general intangibles (including, upon entry of the this Order, proceeds under Code §§ 544, 547, 548, 549, 550 and 553), all leaseholds, and all other "Collateral" (as that term is defined in the Postpetition Credit Agreement) and all proceeds, rents, issues, profits and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance covering any of the foregoing.

32. **Postpetition Credit Agreement.** That certain Debtor-In-Possession Credit Agreement dated as of April 28, 2009, by and between Debtors, Postpetition Agent and Postpetition Lenders party thereto, as amended, modified, supplemented, replace or refinanced by Postpetition Agent and one or more Postpetition Lenders from time to time.

33. **Postpetition Debt.** (a) All indebtedness or obligations of Debtors to Postpetition Agent and Postpetition incurred on or after the Filing Date pursuant to this Order or otherwise, including all "Obligations" (as defined in the Postpetition Credit Agreement) and including any advances made by Lender to pay the Carveout, plus (b) the Postpetition Charges.

34. **Postpetition Documents.** The Postpetition Credit Agreement and the "Credit Documents" (as that term is defined in the Postpetition Credit Agreement).

35. **Postpetition Liens.** First Priority Liens in the Aggregate Collateral, subject only to Permitted Liens.

36. **Prepetition Collateral.** All of the "Collateral" (as that term is defined in the that certain Security Agreement dated as of June 29, 2007, by and among Debtors and Prepetition Agent (on behalf of the Prepetition Lenders)) existing as of the Filing Date, and all proceeds, rents, issues, profits and products thereof.

37. **Prepetition Credit Agreement.** That certain Credit Agreement dated as of June 29, 2007, by and among Debtors, American Community Newspapers Inc. (f/k/a Courtside Acquisition, Inc., "Parent"), Prepetition Agent and Prepetition Lenders party thereto, as amended, modified and supplemented from time to time.

38. **Prepetition Debt.** (a) All indebtedness or obligations under the Prepetition Documents as of the Filing Date, including all "Obligations" (as defined in the Prepetition Credit Agreement), and including all fees, costs, interest, and expenses as and when due and payable pursuant to the Prepetition Documents, plus (b) all Allowable 506(b) Amounts.

39. **Prepetition Documents.** The Prepetition Credit Agreement and the Credit Documents (as that term is defined in the Prepetition Credit Agreement).

40. **Prepetition Liens.** Prepetition Agent's (on behalf of Prepetition Lenders) asserted security interests in the Prepetition Collateral under the Prepetition Documents, subject only to Permitted Liens.

41. **Replacement Liens.** First Priority Liens in the Postpetition Collateral granted to Prepetition Agent (for the benefit of the Prepetition Lenders) pursuant to this Order, subject only to the Postpetition Liens and the Permitted Liens.

42. **Required Lenders.** Collectively, the "Requisite Lenders" (as defined in the Prepetition Credit Agreement) and the "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement).

43. **Retainers.** (a) Retainers for certain of the Debtors' professionals in an amount equal to (1) \$100,000 with respect to Lowenstein Sandler PC and (2) \$50,000 with respect to Graubard Miller, which retainers may be established prior to the Filing Date or subsequent to the Filing Date, as may be agreed by the Postpetition Lenders, and (b) a Retainer for the Committee's professionals in an amount equal to \$25,000, which shall be funded in accordance with Paragraph 4(a) of this Order.

44. **Sale Covenants.** Those covenants set forth in Paragraph 7 of this Order.

45. **Termination Date.** Unless otherwise agreed in writing by "Requisite DIP Lenders" (as defined in the Postpetition Credit Agreement), the earliest to occur of: (a) the date on which Postpetition Agent provides, via facsimile or overnight mail, written notice to counsel for Debtors and counsel for any Committee of the occurrence and continuance of an Event of Default; (b) the date of the Final Hearing, if this Order is modified at the Final Hearing in a manner unacceptable to Agents and Lenders; (c) the closing date of the sale of substantially all of the assets of the Debtors in accordance with the Sale Covenants; and (d) July 31, 2009.

46. **Trustee.** Any trustee appointed or elected in the Cases.

EXHIBIT B

BUDGET

[attached]

Exhibit X
 American Community Newspapers
 DIP Budget - Weekly Activity

		DIP Budget - Weekly Activity (1)			
WK 1	05/03/09	\$ 524,900	(\$37,920)	\$ (82,000)	(233,847)
WK 2	05/10/09	553,100	(390,000)	(810,000)	(578,737)
WK 3	05/17/09	549,100	(434,000)	(817,000)	(798,227)
WK 4	05/24/09	511,500	(345,000)	(747,000)	(827,137)
WK 5	05/31/09	957,500	(390,000)	(549,000)	(1,300,807)
WK 6	06/07/09	882,500	(368,000)	(617,000)	(1,468,998)
WK 7	06/14/09	863,800	(412,000)	(596,000)	(1,516,487)
WK 8	06/21/09	900,750	(360,000)	(582,000)	(1,832,465)
WK 9	06/28/09	875,000	(436,000)	(714,350)	(2,148,477)
WK 10	07/05/09	882,600	(380,000)	(594,000)	(2,508,059)
WK 11	07/12/09	887,000	(386,000)	(600,000)	(3,285,904)
WK 12	07/19/09	906,200	(396,000)	(631,000)	(3,949,488)
WK 13	07/26/09	912,200	(437,000)	(599,000)	

Notes:

- (1) Budget does not include Postpetition Changes (as defined in the DIP Financing Order).
- (2) Includes newspaper disbursements, corporate disbursements and other accounts payable.
- (3) Includes Card Marks, Grantcard & Mailer, Loversden, and Landis Cobb (Debtors' Defense Counsel). Also includes employee incentive plan of \$328,080 in Week 8, which will be funded by the debtors at the time of closing and it will then be funded by the debtors in accordance with the sale incentive plan. Also includes Card Marks success fee in the amount of \$320,000 in Week 12 which will be funded by the debtors at the time of closing.
- (4) Includes Haddock Dissolution, Corporate Accounting Temp, Brentner Public Relations, Claims Agent, Online Due Diligence, US Trustee Fees and Office.