THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE COURT.

A HEARING TO CONSIDER THE ADEQUACY OF THIS DISCLOSURE STATEMENT UNDER SECTION 1125 OF THE BANKRUPTCY CODE HAS BEEN SET BY THE BANKRUPTCY COURT FOR [_____ __], 2009 AT [__:___ _].M. (PREVAILING EASTERN TIME). THE DEBTORS RESERVE THE RIGHT TO AMEND, SUPPLEMENT OR OTHERWISE MODIFY THIS DISCLOSURE STATEMENT PRIOR TO AND UP TO THE DATE OF SUCH HEARING.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	)	Chapter 11
Journal Register Company, et al.,	)	Case No. 09 - 10769 ( )
Debtors.	)	Jointly Administered

DISCLOSURE STATEMENT WITH RESPECT TO JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR JOURNAL REGISTER COMPANY AND ITS AFFILIATED DEBTORS

Dated: New York, New York
February [ ], 2009

WILLKIE FARR & GALLAGHER LLP
Proposed Counsel for Debtors
and Debtors In Possession

787 Seventh Avenue
New York, New York 10019
(212) 728-8000

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR WILL THERE BE ANY DISTRIBUTION OF THE SECURITIES DESCRIBED HEREIN UNTIL THE EFFECTIVE DATE OF THE PLAN.

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS **4:00 P.M. (PREVAILING EASTERN TIME) ON [_____],** UNLESS EXTENDED BY THE DEBTORS (THE "**VOTING DEADLINE**"). TO BE COUNTED, BALLOTS MUST BE RECEIVED BY THE VOTING AGENT (AS DEFINED HEREIN) ON OR BEFORE THE VOTING DEADLINE.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO MATERIAL CONDITIONS PRECEDENT. THERE IS NO ASSURANCE THAT THESE CONDITIONS WILL BE SATISFIED OR WAIVED.

HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF INTERESTS IN, THE DEBTORS ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST, AND HOLDERS OF INTERESTS IN, THE DEBTORS (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED WITH, NOR NECESSARILY REVIEWED BY, AND THE SECURITIES TO BE ISSUED ON OR AFTER THE EFFECTIVE DATE WILL NOT HAVE BEEN THE SUBJECT OF A REGISTRATION STATEMENT FILED WITH, THE SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY OTHER SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES OR "BLUE SKY" LAWS. THE PLAN HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SEC, ANY OTHER SECURITIES REGULATORY AUTHORITY, OR ANY STATE SECURITIES COMMISSION, AND NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE DEBTORS BELIEVE THAT THE SOLICITATION OF VOTES ON THE PLAN MADE BY THIS DISCLOSURE STATEMENT, AND THE OFFER OF THE NEW SECURITIES THAT MAY BE DEEMED TO BE MADE PURSUANT TO THE SOLICITATION ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND RELATED STATE STATUTES BY REASON OF THE EXEMPTION PROVIDED BY SECURITIES ACT SECTION 4(2), OR OTHER APPLICABLE EXEMPTIONS, AND EXPECT THAT THE ISSUANCE OF THE SECURITIES UNDER THE PLAN WILL BE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND RELATED STATE STATUTES BY REASON OF THE APPLICABILITY OF SECTIONS 1145(a)(1) AND (2) OF THE BANKRUPTCY CODE AND SECURITIES ACT SECTION 4(2), OR OTHER APPLICABLE EXEMPTIONS.

EXCEPT AS OTHERWISE SET FORTH HEREIN, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE BY THE DEBTORS AS OF THE DATE HEREOF, AND THE DELIVERY OF THIS DISCLOSURE STATEMENT WILL NOT, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE HEREOF.

NO PERSON HAS BEEN AUTHORIZED BY THE DEBTORS IN CONNECTION WITH THE PLAN OR THE SOLICITATION TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT, THE PLAN AND THE EXHIBITS AND SCHEDULES ATTACHED TO OR INCORPORATED BY REFERENCE OR REFERRED TO IN THE DISCLOSURE STATEMENT AND/OR PLAN, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MAY NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEBTORS.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN AND CERTAIN OF THE PLAN DOCUMENTS. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN OR THE APPLICABLE PLAN DOCUMENTS AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN OR THE APPLICABLE PLAN DOCUMENTS ARE CONTROLLING. THE SUMMARIES OF THE PLAN AND THE PLAN DOCUMENTS IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE PLAN AND THE APPLICABLE PLAN DOCUMENTS. ALL HOLDERS OF CLAIMS AND INTERESTS ARE ENCOURAGED TO REVIEW THE FULL TEXT OF THE PLAN AND THE PLAN DOCUMENTS, AND TO READ CAREFULLY THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING ALL EXHIBITS HERETO.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, AND NOTHING STATED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PERSON, OR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTORS OR ANY OTHER PERSON, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTORS OR HOLDERS OF CLAIMS OR INTERESTS.

HOLDERS OF CLAIMS OR INTERESTS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH HOLDER SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS WITH RESPECT TO ANY SUCH MATTERS CONCERNING THIS DISCLOSURE STATEMENT, THE SOLICITATION OF VOTES TO ACCEPT THE PLAN, THE PLAN, THE PLAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY.

FORWARD-LOOKING STATEMENTS

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS BASED PRIMARILY ON THE CURRENT EXPECTATIONS OF THE DEBTORS AND PROJECTIONS ABOUT FUTURE EVENTS AND FINANCIAL TRENDS AFFECTING THE FINANCIAL CONDITION OF THE DEBTORS' AND REORGANIZED JRC'S BUSINESSES. IN PARTICULAR, STATEMENTS USING WORDS SUCH AS "BELIEVE," "MAY," "ESTIMATE," "CONTINUE," "ANTICIPATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS IDENTIFY THESE FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE

SUBJECT TO A NUMBER OF RISKS, UNCERTAINTIES AND ASSUMPTIONS, INCLUDING THOSE DESCRIBED BELOW UNDER ARTICLE XII. IN THE LIGHT OF THESE RISKS AND UNCERTAINTIES, THE FORWARD-LOOKING EVENTS AND CIRCUMSTANCES DISCUSSED IN THIS DISCLOSURE STATEMENT MAY NOT OCCUR, AND ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THE FORWARD-LOOKING STATEMENTS. CONSEQUENTLY, THE PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS CONTAINED HEREIN SHOULD NOT BE REGARDED AS REPRESENTATIONS BY ANY OF THE DEBTORS, THE REORGANIZED DEBTORS, THEIR ADVISORS, OR ANY OTHER PERSON THAT THE PROJECTED FINANCIAL CONDITIONS OR RESULTS OF OPERATIONS CAN OR WILL BE ACHIEVED. EXCEPT AS OTHERWISE REQUIRED BY LAW, NEITHER THE DEBTORS NOR REORGANIZED JRC UNDERTAKE ANY OBLIGATION TO UPDATE OR REVISE PUBLICLY ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE FOLLOWING APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT.

ALL CAPITALIZED TERMS IN THIS DISCLOSURE STATEMENT NOT OTHERWISE DEFINED HEREIN HAVE THE MEANINGS GIVEN TO THEM IN THE PLAN, ATTACHED TO THIS DISCLOSURE STATEMENT AS EXHIBIT 1.

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN. THE DEBTORS URGE ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

THE CONSENTING LENDERS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

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Annexed as Exhibits to this Disclosure Statement are copies of the following documents:

- Plan (Exhibit 1);
- Plan Support Agreement (Exhibit 2);
- Prepetition Organizational Chart (Exhibit 3);
- Consolidated Financial Statements for the Debtors for the fiscal year ended December 28, 2008 (Exhibit 4);
- Liquidation Analysis (Exhibit 5);
- Reorganized Debtors' Projected Financial Information (Exhibit 6); and
- Disclosure Statement Order (Exhibit 7).

ARTICLE I.

INTRODUCTION

1.1 *General.*

Journal Register Company ("**JRC**" or the "**Company**") and its affiliated debtors and debtors in possession (collectively, the "**Debtors**")[1] hereby transmit this disclosure statement (as may be amended, supplemented or otherwise modified from time to time, the "**Disclosure Statement**") pursuant to section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended (the "**Bankruptcy Code**"), in connection with the Debtors' solicitation of votes (the "**Solicitation**") to confirm the Joint Chapter 11 Plan of Reorganization for Journal Register Company and its Affiliated Debtors dated as of [_____ __], 2009, a copy of which is attached to this Disclosure Statement as Exhibit 1 (as may be amended, the "**Plan**,").

The purpose of this Disclosure Statement is to set forth information: (i) regarding the history of the Debtors and their businesses; (ii) describing the Reorganization Cases; (iii) concerning the Plan and alternatives to the Plan; (iv) advising the holders of Claims and Interests of their rights under the Plan; and (v) assisting the holders of Claims entitled to vote on the Plan in making an informed judgment regarding whether they should vote to accept or reject the Plan.

On [_____ __], 2009, after notice and a hearing, the Bankruptcy Court entered an order: (i) approving this Disclosure Statement (the "**Disclosure Statement Order**") as containing "adequate information" to enable a hypothetical, reasonable investor typical of holders of Claims against or Interests in the Debtors to make an informed judgment as to whether to accept or reject the Plan; and (ii) authorizing the Debtors to use this Disclosure Statement in connection with the solicitation of votes to accept or reject the Plan. **The Disclosure Statement Order establishes [_____ ___], 2009 at 4:00 p.m. (prevailing Eastern Time) as the deadline for the return of Ballots accepting or rejecting the Plan (the "Voting Deadline"). APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT, HOWEVER, CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN.**

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[1] If applicable, the last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Journal Register Company (8615); (ii) 21st Century Newspapers, Inc. (6233); (iii) Acme Newspapers, Inc. (6478); (iv) All Home Distribution Inc. (0624); (v) Chanry Communications, Ltd. (3704); (vi) Greater Detroit Newspaper Network, Inc. (4228); (vii) Great Lakes Media, Inc. (5920); (viii) Great Northern Publishing, Inc. (0800); (ix) The Goodson Holding Company (2437); (x) Heritage Network Incorporated (6777); (xi) Hometown Newspapers, Inc. (8550); (xii) Independent Newspapers, Inc. (2264); (xiii) JiUS, Inc. (3535); (xiv) Journal Company, Inc. (8220); (xv) Journal Register East, Inc. (8039); (xvi) Journal Register Supply, Inc. (6546); (xvii) JRC Media, Inc. (4264); (xviii) Middletown Acquisition Corp. (3035); (xix) Morning Star Publishing Company (2543); (xx) Northeast Publishing Company, Inc. (6544); (xxi) Orange Coast Publishing Co. (7866); (xxii) Pennysaver Home Distribution Corp. (9476); (xxiii) Register Company, Inc. (6548); (xxiv) Saginaw Area Newspapers, Inc. (8444); (xxv) St. Louis Sun Publishing Co. (1989); (xxvi); Up North Publications, Inc. (2784); and (xxvii) Voice Communications Corp. (0455). The Debtors' executive headquarters' address is 790 Township Line Road, Third Floor, Yardley, PA 19067.

The Disclosure Statement Order sets forth in detail the deadlines, procedures and instructions for voting to accept or reject the Plan, and for filing objections to confirmation of the Plan, the record date for voting purposes and the applicable standards for tabulating Ballots. In addition, detailed voting instructions accompany each Ballot. Each holder of a Claim entitled to vote on the Plan should read this Disclosure Statement and the Exhibits hereto, including the Plan and the Disclosure Statement Order, as well as the instructions accompanying the Ballot in their entirety before voting on the Plan. These documents contain important information concerning the classification of Claims and Interests for voting purposes and the tabulation of votes. No solicitation of votes may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. In voting on the Plan, holders of Claims entitled to vote should not rely on any information relating to the Debtors and their businesses other than the information contained in this Disclosure Statement, the Plan and all Exhibits hereto and thereto. **PURSUANT TO THE PLAN SUPPORT AGREEMENT, 76.9% IN AMOUNT AND 70.3% IN NUMBER OF HOLDERS OF CLASS 2 CLAIMS HAVE AGREED TO SUPPORT AND NOT OBJECT TO THE PLAN.**

THE DEBTORS RECOMMEND THAT HOLDERS OF CLAIMS IN CLASS 2 VOTE TO ACCEPT THE PLAN, AS THE PLAN PROVIDES FOR THE BEST AVAILABLE RECOVERY TO CREDITORS OF THAT CLASS.

THIS DISCLOSURE STATEMENT IS NOT INTENDED TO REPLACE A CAREFUL AND DETAILED REVIEW AND ANALYSIS OF THE PLAN. THIS DISCLOSURE STATEMENT IS INTENDED TO AID AND SUPPLEMENT THAT REVIEW. THE DESCRIPTION OF THE PLAN HEREIN IS ONLY A SUMMARY. HOLDERS OF CLAIMS AND INTERESTS AND OTHER PARTIES-IN-INTEREST ARE CAUTIONED TO REVIEW THE PLAN AND ANY RELATED EXHIBITS AND ATTACHMENTS FOR A FULL UNDERSTANDING OF THE PLAN'S PROVISIONS. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN.

Additional copies of this Disclosure Statement (including the Exhibits hereto) are available upon request made to the office of the Debtors' counsel, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, Attention: Marc Abrams, Esq. and Rachel C. Strickland, Esq., (212) 728-8000 (phone) or (212) 728-8111 (facsimile). Additional copies of this Disclosure Statement (including the Exhibits hereto) can also be accessed free of charge from the following website: http://chapter11.epiqsystems.com/journalregister.

In addition, a Ballot for voting to accept or reject the Plan is enclosed with this Disclosure Statement for the holders of Claims that are entitled to vote to accept or reject the Plan. If you are a holder of a Claim entitled to vote on the Plan and did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact the Claims Agent: Epiq Bankruptcy Solutions, LLC at (646) 282-2500, via e-mail to journalregister@epiqsystems.com or send your written inquiry to:

Epiq Bankruptcy Solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017
Attn: Journal Register Ballot Processing

Each holder of a Claim entitled to vote on the Plan should read this Disclosure Statement, the Plan, the other Exhibits attached hereto and the instructions accompanying the Ballots in their entirety before voting on the Plan. These documents contain important information concerning the classification of Claims and Interests for voting purposes and the tabulation of votes.

1.2 *The Confirmation Hearing.*

In accordance with the Disclosure Statement Order and section 1128 of the Bankruptcy Code, a hearing will be held before the Honorable [_____], United States Bankruptcy Judge for the Southern District of New York, United States Bankruptcy Court, Courtroom [___],One Bowling Green, New York, New York 10004 on **[_____], 2009, at [_____] [ ].m. (prevailing Eastern Time)**, to consider confirmation of the Plan. The Debtors will request confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code, and they have reserved the right to modify the Plan with the consent of the Consenting Lenders to the extent, if any, that confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification. Objections, if any, to confirmation of the Plan must be served and filed so that they are received on or before **[_____], at 4:00 p.m. (prevailing Eastern Time)**, in the manner set forth in the Disclosure Statement Order. The hearing on confirmation of the Plan, with the consent of the Consenting Lenders, may be adjourned from time to time without further notice except for the announcement of the adjourned date and time at the hearing on confirmation or any adjournment thereof.

1.3 *Classification of Claims and Interests.*

The following table designates the Classes of Claims against and Interests in the Debtors, and specifies which Classes are (a) impaired or unimpaired by the Plan, (b) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code, or (c) deemed to accept or reject the Plan.

Class	Designation	Impairment	Entitled to Vote
Class 1	Priority Non-Tax Claims	No	No (Deemed to accept)
Class 2	Secured Lender Claims	Yes	Yes
Class 3	Other Secured Claims	No	No (Deemed to accept)
Class 4	Unsecured Claims	Yes	No (Deemed to reject)
Class 5	Existing Common Stock Interests	Yes	No (Deemed to reject)
Class 6	Existing Securities Laws Claims	Yes	No (Deemed to reject)

1.4 *Voting; Holders of Claims Entitled to Vote.*

Pursuant to the provisions of the Bankruptcy Code, only holders of allowed claims or equity interests in classes of claims or equity interests that are impaired and that are not

deemed to have rejected a plan of reorganization are entitled to vote to accept or reject such proposed plan. Generally, a claim or interest is impaired under a plan if the holder's legal, equitable or contractual rights are altered under such plan. Classes of claims or equity interests under a chapter 11 plan in which the holders of claims or equity interests are unimpaired are deemed to have accepted such plan and are not entitled to vote to accept or reject the proposed plan. In addition, classes of claims or equity interests in which the holders of claims or equity interests will not receive or retain any property on account of their claims or equity interests are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan.

In connection with the Plan:

- Claims in Class 2 are impaired and the holders of such Claims will receive distributions under the Plan. As a result, holders of Claims in Class 2 are entitled to vote to accept or reject the Plan;

- Claims in Classes 1 and 3 are unimpaired. As a result, holders of Claims in those Classes are deemed to have accepted the Plan and are not entitled to vote to accept or reject the Plan;

- Claims and Interests in Classes 4, 5 and 6 are impaired and the holders of such Claims and Interests will not receive any distribution on account of such Claims and Interests. As a result, the holders of Claims and Interests in those Classes are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

The Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims that cast ballots for acceptance or rejection of the plan. **Your vote on the Plan is important.** The Bankruptcy Code requires as a condition to confirmation of a plan of reorganization that each class that is impaired and entitled to vote under a plan vote to accept such plan, unless the provisions of section 1129(b) of the Bankruptcy Code are met.

If a Class of Claims entitled to vote on the Plan rejects the Plan, the Debtors reserve the right to amend the Plan and/or to request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. Section 1129(b) of the Bankruptcy Code permits the confirmation of a plan of reorganization notwithstanding the non-acceptance of a plan by one or more impaired classes of claims or equity interests, so long as at least one impaired class of claims or interests votes to accept the plan. Under that section, a plan may be confirmed by a bankruptcy court if it does not "discriminate unfairly" and is "fair and equitable" with respect to each non-accepting class.

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. This Disclosure Statement, the Exhibits attached hereto, the Plan and the related documents are the only materials the Debtors are providing to creditors for their use in determining whether to vote to accept or reject the Plan, and such materials may not be relied upon or used for any purpose other than to vote to accept or reject the Plan.

Please complete, execute and return your Ballot(s) to the Debtors' claims and voting agent (the "**Voting Agent**") at the address below:

Epiq Bankruptcy Solutions, LLC
757 Third Avenue, 3rd Floor
New York, NY 10017
Tel. (646) 282-2500
Attn: Journal Register Ballot Processing

TO BE COUNTED, YOUR ORIGINAL BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE ACTUALLY RECEIVED BY THE VOTING AGENT NO LATER THAN **4:00 P.M., PREVAILING EASTERN TIME, ON [_____], 2009,** UNLESS EXTENDED BY THE DEBTORS. YOUR BALLOT MAY BE SENT VIA MAIL, OVERNIGHT COURIER OR MESSENGER. ALL BALLOTS MUST BE SIGNED.

The Ballots have been specifically designed for the purpose of soliciting votes on the Plan from the Class entitled to vote with respect thereto. Accordingly, in voting on the Plan, please use only the Ballots sent to you with this Disclosure Statement or provided by the Debtors' Voting Agent.

The Debtors have fixed **5:00 p.m. (prevailing Eastern Time) on [_____ _], 2009** (the "**Voting Record Date**"), as the time and date for the determination of Persons who are entitled to receive a copy of this Disclosure Statement and all of the related materials and to vote whether to accept or reject the Plan. Accordingly, only holders of record of Claims as of the Voting Record Date that are entitled to vote on the Plan, will receive a Ballot and may vote on the Plan.

All properly completed Ballots received prior to the Voting Deadline will be counted for purposes of determining whether a voting Class of impaired Claims has accepted the Plan. The Voting Agent will prepare and file with the Bankruptcy Court a certification of the results of the balloting with respect to the Class entitled to vote.

THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF ALL HOLDERS OF CLAIMS AND RECOMMEND THAT ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN.

1.5 *Important Matters.*

This Disclosure Statement contains projected financial information and certain other forward-looking statements, all of which are based on various estimates and assumptions and will not be updated to reflect events occurring after the date hereof. Such information and statements are subject to inherent uncertainties and to a wide variety of significant business, economic and competitive risks, including, among others, those described herein. Consequently, actual events, circumstances, effects and results may vary significantly from those included in or contemplated by such projected financial information and such other forward-looking statements. The projected financial information contained herein and in the Exhibits annexed

hereto is, therefore, not necessarily indicative of the future financial condition or results of operations of the Debtors, which in each case may vary significantly from those set forth in such projected financial information. Consequently, the projected financial information and other forward-looking statements contained herein should not be regarded as representations by any of the Debtors, the Reorganized Debtors, their advisors, or any other Person that the projected financial conditions or results of operations can or will be achieved.

ARTICLE II.

SUMMARY OF PLAN AND CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS THEREUNDER

The overall purpose of the Plan is to provide for the restructuring of the Debtors' liabilities in a manner designed to maximize recovery to stakeholders and to enhance the financial viability of the Reorganized Debtors. Generally, the Plan provides for a balance sheet restructuring that exchanges the Debtors' current debt obligations under the Existing Credit Agreement for new term loans and equity in Reorganized JRC. JRC's Existing Common Stock has no value and will be cancelled. Upon emergence, all of Reorganized JRC's New Common Stock will be owned by the Lenders, and will be subject to dilution only by: (a) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees; and (b) the Warrant Shares issued upon exercise of the Revolving Facility Warrants. Neither the New Common Stock nor the Revolving Facility Warrants will be registered with the SEC or any state securities regulatory authority and will not trade on any public exchange.

Other secured creditors will receive cash, their collateral or retain their liens, as applicable, in satisfaction of their Claims. Unsecured creditors will receive no distribution on account of their Claims under the Plan. However, holders of Trade Unsecured Claims that do not object to confirmation of the Plan will be eligible to receive payment of their Claims in full in Cash from an account established by the Consenting Lenders. The resulting debt structure of the Reorganized Debtors will substantially de-lever the Company and provide liquidity needed to support its future operations. The Debtors believe that the Plan provides for appropriate treatment of all Classes of Claims and Interests, taking into account the valuation of the Company and the differing natures and priorities of the Claims and Interests.

The following table classifies the Claims against, and Interests in, the Debtors into separate Classes and summarizes the treatment of each Class under the Plan. The table also identifies which Classes are entitled to vote on the Plan based on provisions of the Bankruptcy Code. Finally, the table indicates the estimated recovery for each Class. **As described in Article [XII] below, the Debtors' businesses are subject to a number of risks. The uncertainties and risks related to the Reorganized Debtors make it difficult to determine a precise value for the Reorganized Debtors, the New Common Stock of Reorganized JRC and other distributions under the Plan. The recoveries and estimates described in the following tables represent the Debtors' best estimates given the information available on the date of this Disclosure Statement. All statements in this section relating to the amount of Claims and Interests are only estimates based on information known to the Debtors as of**

the date hereof, and the final amounts of Allowed Claims may vary significantly from these estimates.

In connection with preparing the estimation of recoveries set forth herein, the following assumptions were made:

- The ongoing enterprise value of the Reorganized Debtors for purposes of the Plan, based on the valuation prepared by Lazard Frères & Co., LLC ("**Lazard**"), the Debtors' financial advisors, is approximately $[__] million.

- The aggregate Allowed amount of Administrative Expense Claims will be approximately $[__] million.

- The aggregate Allowed amount of U.S. Trustee Fees will be approximately $[_____].

- The aggregate Allowed amount of Fee Claims will be approximately $[__] million.

- The aggregate Allowed amount of unpaid Priority Tax Claims (including Secured Tax Claims) will not exceed approximately $[____] million.

- The aggregate Allowed amount of Priority Non-Tax Claims will be approximately $[__].[2]

- The aggregate Allowed amount of Other Secured Claims will be approximately $[___] (which may be paid in the ordinary course of business).

- The aggregate Allowed amount of Unsecured Claims will be approximately $[____] million, which is comprised of approximately $[ ] of Trade Unsecured Claims and $[ ] of Other Unsecured Claims.

The following table briefly summarizes the classification and treatment of Claims and Interests under the Plan. The summaries in this table are qualified in their entirety by the description of the treatment of such Claims in Articles [III and V] of the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, U.S. Trustee Fees, Fee Claims, and Priority Tax Claims have not been classified. Except as specifically noted therein, the Plan does not provide for payment of postpetition interest with respect to Allowed Claims.

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[2] The Debtors believe that as of the Effective Date there will be approximately $[___] million in accrued postpetition employee wages and other benefits that will be satisfied in the ordinary course. The Debtors satisfied prepetition employee wages and benefits subject to priority pursuant to sections 507(a)(4) and (a)(5) of the Bankruptcy Code by order of Bankruptcy Court dated [ ], 2009.

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
Unclassified	Administrative Expense Claims	Each holder of an Allowed Administrative Expense Claim shall receive, unless such holder agrees to different treatment, Cash in an amount equal to such Allowed Claim.	No.	$[ ] million	100%
Unclassified	Fee Claims	Each holder of an Allowed Fee Claim for which a Fee Application has been approved by the Bankruptcy Court shall receive Cash in an amount so approved.	No.	$[ ] million	100%
Unclassified	U.S. Trustee Fees	On the Effective Date or as soon as practicable thereafter, the Debtors shall pay all U.S. Trustee Fees that are due and owing on the Effective Date, including those statutory fees arising under 28 U.S.C. § 1930(a)(6) and accrued interest under 31 U.S.C. § 3717.	No	$[ ]	100%
Unclassified	Priority Tax Claims	Unless such holder agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive, at the Debtors' option, and with the consent of the Consenting Lenders, either (a) Cash in an amount equal to the amount of such Claim, or (b) deferred Cash payments following the Effective Date, over a period ending not later than five (5) years after the Commencement Date, in an aggregate amount equal to the Allowed amount of such Priority Tax Claim (plus any interest due in accordance with section 511 of the Bankruptcy Code).	No.	$[ ] million	100%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
Class 1	Priority Non-Tax Claims	Claims in this Class are not impaired. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, each holder of an Allowed Claim in Class 1 shall receive Cash in an amount equal to the amount of such Claim.	No; Deemed to have accepted the Plan.	$[ ] million	100%
Class 2	Secured Lender Claims	Claims in this Class are impaired. Each holder of a Secured Lender Claim shall receive: (i) payment in Cash, of its Pro Rata Share of $[ ] towards (A) the satisfaction, in full, of its Pro Rata Share of the Secured Lender Fee Claims (which, on the Effective Date, shall be deemed Allowed in the aggregate amount of $[ ]); and (B) deposit of $[ ] into the Trade Account, for the purposes described in Section [7.1] of the Plan; (ii) its Pro Rata Share, and the assumption by the Reorganized Debtors, of the New Term Loan Facility Obligations; and (iii) its Pro Rata Share of 100% of the New Common Stock (consisting either of Class A or Class B Common Stock, in each such holder's sole discretion), subject to dilution only by: (A) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees; (B) the Revolving Facility Stock; and (C) any Warrant Shares (if any).	Yes.	$[ ] million	[ ]%

Class	*Description*	*Treatment*	*Entitled to Vote*	*Estimated Amount of Claims or Interests in Class*	*Estimated Recovery*
Class 3	Other Secured Claims	Claims in this Class are not impaired. On the Effective Date, unless any holder of an Allowed Other Secured Claim agrees to less favorable treatment, each holder of an Allowed Class 3 Claim shall receive (a) Cash in an amount equal to such Claim; or (b) such other treatment such that will not render such Claim impaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Class 3 Claims incurred in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor, and with the consent of the Consenting Lenders.	No; Deemed to have accepted the Plan.	$[ ] million	100%
Class 4	Unsecured Claims	Claims in this Class are impaired. Holders of Unsecured Claims shall not receive or retain any distribution under the Plan.	No; Deemed to have rejected the Plan.	$[ ] million	0%
Class 5	Existing Common Stock Interests	Interests in this Class are impaired. Holders of Existing Common Stock Interests shall not receive or retain any distribution under the Plan.	No; Deemed to have rejected the Plan.	$[ ] million	0%
Class 6	Existing Securities Laws Claims	Claims in this Class are impaired. Holders of Existing Securities Laws Claims shall not receive or retain any distribution under the Plan.	No; Deemed to have rejected the Plan.	$[ ] million	0%

The recoveries set forth above are estimates that are contingent upon approval of the Plan as proposed.

ARTICLE III.

BUSINESS DESCRIPTION AND CIRCUMSTANCES THAT LED TO THESE REORGANIZATION CASES

3.1 *The Debtors' Businesses.*

(a) The Debtors.

JRC, formally established in 1997, and the other Debtors comprise a national media company primarily serving the greater Philadelphia region, Michigan, Connecticut, the greater Cleveland region, and the Capital Saratoga and Mid-Hudson regions of New York State. The Debtors own and operate daily newspapers and non-daily publications, news and employment websites and commercial printing facilities.

Currently, the Company owns and operates twenty daily newspapers and one hundred fifty-nine non-daily publications. The Company's non-daily publications include weekly and other frequency newspapers as well as specific-interest publications, such as travel and other leisure-oriented magazines. The Debtors also own and operate websites that are affiliated with its publications and JobsInTheUS, a network of numerous employment websites. The Debtors own and operate fourteen printing facilities that print the Debtors' publications, some of which also engage in commercial printing.

(b) Publishing Operations.

Each of the Company's publications focuses primarily on the local community in which it operates. The publications devote the majority of their coverage to articles of interest to members of each community served, including coverage of local youth, high school, college and professional sports, as well as local business, politics, entertainment and culture.

The Company operates in six strategically situated geographical "clusters": greater Philadelphia; metropolitan Detroit as well as many other areas of Michigan; Connecticut; Ohio; and the Capital-Saratoga and the Mid-Hudson regions of New York. The Company's clustered base of operations has numerous advantages. It allows the Company's publications to reach a broad spectrum of readers and consumers throughout these areas; enables the Company's advertisers to expand their reach and target their message both geographically and demographically; and creates significant synergies and cost savings within each cluster, including cross-selling of advertising, centralized news gathering and consolidation of printing, production and back-office activities. The clustering strategy assists the Company in improving print quality and distribution, introducing new products and services in a cost-effective manner, and increasing readership.

(1) The Greater Philadelphia Cluster.

In the Company's largest cluster, the Debtors operate seven daily newspapers and sixty-three non-daily publications serving Philadelphia and its surrounding areas (the "**Greater Philadelphia Cluster**"). The Company's premium publications in the Greater Philadelphia Cluster include *The Delaware County Daily and Sunday Times* (Primos), *The Daily Local News* (West Chester) and *The Trentonian* (Trenton).

(2) The Connecticut Cluster.

The Company's Connecticut daily newspapers and non-daily publications serve a statewide audience, with most readers concentrated in western Connecticut (Litchfield and Fairfield Counties), Hartford and its suburban areas, the Greater New Haven area, and the Connecticut shoreline from New Haven northeast to New London (the "**Connecticut Cluster**").

In the Connecticut Cluster, the Company operates three daily newspapers, including the *New Haven Register*, its flagship and largest newspaper, as well twenty-nine suburban non-daily publications. The non-daily publications include *Connecticut Magazine*, the state's premier lifestyle magazine, which the Company acquired in September 1999.

(3) The Michigan Cluster.

The Debtors publish four daily newspapers and fifty-four non-daily publications serving a large and contiguous market throughout southeast, central and northern Michigan (the "**Michigan Cluster**"). The two largest dailies in the Michigan Cluster are the *Oakland Press* (Oakland County) and the *Macomb Daily* (Mount Clemens). The Michigan Cluster benefits from a variety of synergies, including advertising cross-sell arrangements and certain news-gathering resources.

(4) The Ohio Cluster.

The Company owns two Cleveland, Ohio area daily newspaper operations and four non-daily publications in the Cleveland area (the "**Ohio Cluster**"), including *The News–Herald* (Willoughby) and *The Morning Journal* (Lorain). The Ohio Cluster benefits from various synergies, including advertising cross-sell arrangements, the consolidation of printing at a single printing facility and consolidated circulation.

(5) The Capital-Saratoga Region of New York.

The Company's publications in the Capital-Saratoga region of New York (the "**Saratoga Cluster**") are comprised of three daily and five non-daily publications, including *The Saratogian* (Saratoga Springs). Due to a shortage of local television and radio outlets, the newspapers published in the Saratoga Cluster are the leading sources of local information in the markets they serve, and provide an attractive vehicle for area advertisers. The Company's daily publications in the Capital-Saratoga region benefit from cross-selling of advertising as well as production and news-gathering synergies. Two of the daily publications in the Saratoga Cluster are printed at the Company's operating facility in Troy, New York, taking advantage of the facility's excess capacity and achieving significant cost efficiencies for the Companies.

(6) The Mid-Hudson Region of New York Cluster.

The Company owns one daily newspaper, the *Daily Freeman* (Kingston), and four non-daily publications in the Mid-Hudson region of New York (the "**Hudson Cluster**," and together with the Saratoga Cluster, the "**New York Clusters**").

Similar to the Saratoga Cluster, the Company's publications in the Hudson Cluster are significant media outlets for advertisers in local markets. The Hudson Cluster publications also benefit from cross-selling of advertising with certain newspapers in the Connecticut Cluster, including *The Register Citizen* (Torrington, CT) and certain of the Housatonic Publications, which serve Litchfield County, Connecticut. There are also production and editorial synergies between publications in the Hudson Cluster.

(c) Web-based Operations.

In response to the growth of a digital marketplace and declining readership and circulation throughout the newspaper industry, the Company has focused on developing and expanding its online presence to satisfy its readers' and advertisers' demands for increased speed, flexibility and extended market reach. The Company currently maintains one hundred ninety-six local news and information websites, which are affiliated with its daily newspapers and non-daily publications, as well as portal sites for each of its six regional clusters. The websites offer the Company's readers and advertisers web-based access to the Company's products, content and advertising. From 2001 to 2007, the revenue of the websites has grown at a compound annual rate of approximately 33.4 percent.

The websites showcase the Company's newspapers and specialty products and provide local news and sports coverage and information of interest to each local community. The websites also offer a variety of web exclusives, including video, blogs and reader interaction. For advertisers, the websites serve as a means to reach consumers within each community.

To further its goal of developing a greater online presence, the Company began developing a new multi-media content web platform that will ideally be used by all of its newspapers in the future, replacing its existing websites. This new web platform is designed to enhance the users' experience through video streaming and pod casting and expects to attract advertisers to use the websites for their local advertising needs.

(d) Yahoo! Alliance.

In 2006, the Company's daily newspapers entered into a strategic partnership with Yahoo! Inc. ("**Yahoo!**"), to deliver applicant search advertising as well as graphical and classified advertising to consumers in their local communities. As a leader in the online recruiting industry, Yahoo! HotJobs (www.hotjobs.com) teamed up with the Company's newspapers to provide recruiters with a large online audience, targeting capabilities, local expertise and advertising power. In 2007, this program with Yahoo! was expanded to 21 weekly newspapers in the Michigan Cluster.

In April 2007, the Company entered into a second phase of its relationship with Yahoo! and, as a result, Yahoo!'s search and other cutting-edge online advertising technologies, including graphical advertising and behavioral targeting, are incorporated into the Company's web platforms. This alliance provides a number of advantages to the Company, including extended distribution of local recruitment ads through the Company's co-branded employment websites with Yahoo!HotJobs, access to Yahoo!'s advanced technology, including search and advertiser-serving functionality, expansion of local audiences to create a powerful national advertising network and serving as a link between the Company's newspapers with Yahoo!'s younger audience.

(e) Other Strategic Alliances.

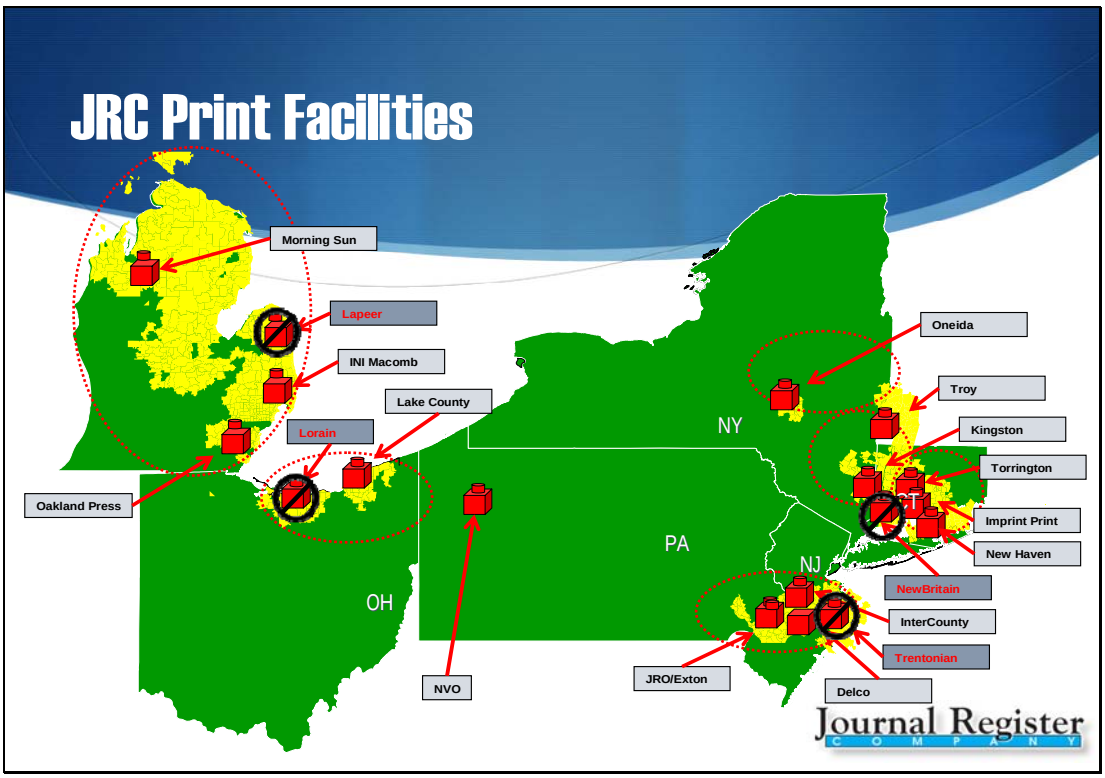
In recent years, the Company has entered into several other strategic alliances to improve and enhance revenues in the areas of classified real estate, classified automotive, retail marketplace and "run-of-web" banner advertising. Through the Company's alliance with Travidia, Inc., a leading provider of Internet marketing management and digital advertising publishing services for top newspaper companies and local advertisers, the Debtors have extended their advertising reach across entire regional markets. Also, to enhance its regional classified advertising efforts, the Company entered into an alliance with Kaango LLC, a company that provides web-to-web, web-to-print and print-to-web classified ad software for newspapers and other publishers of online classified listings.

(f) JobsInTheUS.

In 2005, the Company acquired JobsInTheUS ("**JiUS**"), a company that provides a network of nineteen websites that specialize in state-specific employment opportunities. Founded in 1999 and based in Westbrook, Maine, JiUS is one of the fastest-growing local job Internet networks in terms of unique visits to the websites and jobs posted. The websites allow candidates interested in employment in a particular region to find a match with local employers, and local employers to reach those candidates at a lower cost than other recruiting methods.

(g) Printing Facilities.

The Company currently owns and operates fourteen printing facilities. Four of these facilities also produce commercial printing products for non-affiliated entities: (i) Imprint Print in North Haven, Connecticut; (ii) Nittany Valley Offset in State College, Pennsylvania; (iii) InterPrint in Bristol, Pennsylvania; and (iv) the largest of the Company's printing facilities, Journal Register Offset ("**JRO**"), based in the Philadelphia suburb of Exton, Pennsylvania. JRO produces award-winning quality products while generating significant cash operating expense savings. Among other honors, JRO was accepted into the 2006-2008 International Newspaper Color Quality Club, the highest honor a newspaper can receive for its printing quality. As part of their cost-cutting initiatives, prior to the Commencement Date, the Debtors closed four printing facilities, Lapeer (Michigan), Lorain (Ohio), the Trentonian (New Jersey) and New Britain (Connecticut).



3.2 ***Facilities and Offices.***

The Debtors are headquartered in Yardley, Pennsylvania. The Debtors maintain office space, production, distribution and warehouse facilities in Pennsylvania, Connecticut, Michigan, New York, Ohio, New Jersey and Maine. As of January 2009, the Company operated approximately one hundred twenty facilities in the course of producing and publishing its daily and non-daily publications. Approximately seventy of these facilities are leased.

3.3 ***Employees and Pensions, and Post-Retirement Obligations.***

The Company employs approximately 3,465 full-time equivalent employees ("**FTEs**"). Approximately 18% of the Company's employees are employed under collective bargaining agreements.

(a) Single Employer Defined Benefit Pension Plan.

JRC is the sponsor of the Company Pension Plan, a single employer defined benefit pension plan. Benefit accruals under the Company Pension Plan were frozen on December 31, 2006, with respect to all employees other than union-represented employees whose participation in the Company Pension Plan is provided for pursuant to collective bargaining agreements. Of the 4,955 participants in the Company Pension Plan, 464 (9.4%) are active union-represented employees, 1,098 (22%) are active non-union-represented employees, 1,966 (40%) are former employees who are eligible to receive pension benefits but who have not yet reached retirement age, and 1,427 (29%) are retired and currently receiving benefits.

As of January 1, 2007, the Company Pension Plan had a surplus of $1,859,108. The value of Company Pension Plan assets was $113,110,916 and the present value of accrued plan benefits was $111,251,808. According to the trust statements for the Company Pension Plan, as of December 31, 2008, the fair value of Company Pension Plan assets had declined to $78,071,257, as compared to a funding target of $102,735,000, leaving the Company Pension Plan approximately 24% underfunded as of December 31, 2008.

The Pension Protection Act of 2006 (the "**PPA**") requires that JRC make up the underfunding in the Company Pension Plan over a seven year period. It is currently estimated that no contribution by the Debtors will be required in 2009, and that an annual Company Pension Plan contribution of between $5 to 7 million per year will be required from 2010 through 2015. These contribution levels are dependent upon the future investment return on Company Pension Plan assets and the future level of interest rates that will be used to discount Company Pension Plan liabilities.

(b) Multiemployer Pension Plans.

JRC currently contributes to six multiemployer pension plans on behalf of its union-represented employees: (i) $51,450 of 2008 contributions for approximately 19 full-time employees to the Retirement Benefit Plan of GCIU Detroit Newspaper Union 13N with Detroit Area Newspaper Publishers (the "**GCIU Fund**"); (ii) $209,358 of 2008 contributions for approximately 46 full-time employees to the Central States Southeast and Southwest Areas Pension Fund (the "**Central States Fund**"); (iii) $146,679 of 2008 contributions for approximately 99 full-time employees to the CWA/ITU Negotiated Pension Plan (the "**NPP**"); (iv) $59,000 of 2008 contributions for approximately 50 full-time employees to the GCIU Employer Retirement Fund (the "**GCIU ERF**"); (v) $162,791 of 2008 contributions for approximately 154 full-time employees to the Newspaper Guild International Pension Fund (the "**NGIP Fund**"); and (vi) $2,996 of 2008 contributions for 2 full-time employees to the Graphic Communications Conference of the International Brotherhood of Teamsters Pension Fund (the "**GCC IBT Fund**") (collectively, the "**Multiemployer Pension Plans**").

Four of the Multiemployer Pension Plans — the GCIU Fund, the Central States Fund, the GCIU ERF, and the GCC IBT Fund — have been certified to be in "critical status" under the PPA, which means they are less than 65% funded. Two of these, the GCIU Fund and the Central States Fund, have been in critical status since January 1, 2008. There is only one other contributing employer to the GCIU Fund as of December 31, 2008, and that employer has recently announced that it is currently negotiating with the union to withdraw from this fund during 2009. The GCIU Fund is reported to be 68% underfunded as of December 31, 2008, which would suggest a level of underfunding approximating $65 to $70 million. The GCC IBT Fund was certified to be in critical status as of May 1, 2008.

Information regarding the number of employers participating in the Central States Fund and the GCC IBT Fund is not publicly available. In addition, information about the funded status of the Central States Fund as of December 31, 2008 is not yet publicly available, and the Company has not received current information regarding the funded status of the GCC IBT Fund, whose current plan year ends on April 30, 2009.

The GCIU ERF recently announced that it was in critical status on January 1, 2009. According to the official website of the Graphic Communications Conference of the International Brotherhood of Teamsters, 850 employers participated in the GCIU ERF as of 2006. Information about the funded status of the GCIU ERF as of December 31, 2008 is not yet publicly available.

The latest available information regarding the other two multiemployer plans to which the Company contributes is as follows:

(1) NPP.

As of January 1, 2008, the actuarial value of the accrued liabilities associated with the NPP was $1,131,383,955, and the market value of the plan's assets was $1,077,320,067, meaning the NPP was underfunded by $54,063,888 and or approximately 5%. Between January 1, 2008 and September 30, 2008, the market value of the NPP's assets dropped by $190,465,335, or approximately 18%. According to the official website of the NPP, 450 employers currently participate in the NPP.

(2) NGIP Fund.

As of January 1, 2008, the market value of the assets of the NGIP Fund was $94,226,646 and the actuarial value of the plan's accrued liabilities was $115,959,515, meaning that the NGIP Fund was approximately 81% funded as of such date. Information regarding the number of employers participating in the NGIP Fund is not publicly available.

(c) Retiree Benefits.

JRC provides retiree medical and life insurance benefits to certain of its retired employees pursuant to its collective bargaining agreements and various contractual arrangements with certain of the Debtors' former employees, principals or related parties. As of December 31, 2008, JRC had accumulated unfunded post-retirement benefit obligations in the amount of approximately $5,043,000, which it intends to continue to pay in accordance with section 1114 of the Bankruptcy Code.

	Total Liability (in millions)	Payment Term	Projected Cash Flow (in millions)				
			2009	2010	2011	2012	2013
Retiree Medical and Life Insurance Benefits	$5.0	Annual	$0.5	$0.5	$0.5	$0.5	$0.5

(d) Contractual Severance Arrangements and Other Employee Obligations.

JRC also has miscellaneous prepetition liabilities to certain former principals, employees and related parties, in a total estimated amount of $3.8 million, which include contractual severance benefits and non-tax qualified pension arrangements. Many of these liabilities arose as part of acquisitions made by the Company. The Debtors do not intend to continue to satisfy these prepetition obligations, and such former principals, employees and

related parties may hold Class 4 Unsecured Claims, which will not be entitled to any distribution under the Plan.

3.4 *Certain Material Prepetition Liabilities.*

In addition to the liabilities related to their current and former employees discussed in Section 3.3 above, the Debtors have disputed prepetition liabilities relating to certain taxes assessed by the State of Connecticut, disputed liabilities with respect to certain litigation and contingent liabilities with respect to certain executory contracts and unexpired leases that the Debtors may seek to reject pursuant to section 365 of the Bankruptcy Code.

(a) Connecticut Tax Disputes.

After conducting an audit of the state income tax returns of the Debtor Journal Register East, Inc. ("**JRE**") for the taxable years 1998-2000, the State of Connecticut Department of Revenue Services ("**CT DRS**") alleged that deductions taken by JRE for certain interest expenses on intercompany loans (the "**Intercompany Deductions**") were invalid. On October 2, 2008, the CT DRS sent a notice of audit assessment to JRE for approximately $14.5 million in adjustments to JRE's state income tax returns for 1998-2000 related to the Intercompany Deductions. JRE submitted a letter protesting the assessment on November 24, 2008.

On December 22, 2008, JRE was assessed by the CT DRS for an additional $7 million in income taxes for the tax years 2001-2004, bringing JRE's total potential exposure relating to Connecticut income taxes for tax years 1998-2004 to $21.5 million. JRE submitted a letter protesting this assessment on February 11, 2009.

In addition, the Debtors received an assessment, dated August 1, 2008, for approximately $270,000 in sales and use taxes from the State of Connecticut for the tax years 2003-2006. The Debtors protested this assessment on September 26, 2008, and a hearing with respect to the protest had not yet occurred as of the Commencement Date.

(b) Prepetition Litigation.

The Company is party to routine litigation incidental to its business, including litigation relating to certain cases brought for recovery of worker's compensation.

The most significant cause of action currently pending against the Company is Tucker v. Journal Register East, Inc. In that case, Teri Tucker, a former employee, commenced litigation against JRE in the United States District Court for the District of Connecticut on March 1, 2006, alleging a retaliatory discharge in violation of Title VII of the Civil Rights Act of 1964. On July 23, 2008, Ms. Tucker received a jury verdict in the amount of $1 million in compensatory damages and $3 million in punitive damages against the Company. On August 11, 2008, the Company filed a motion for a judgment as a matter of law, or in the alternative, a new trial. It is not yet possible to determine the outcome of this action, though the Debtors believe that their ultimate liability will be substantially less than the amount of the jury verdict. Assuming a favorable outcome is obtained with respect to the litigation commenced by Ms,

Tucker, the Debtors estimate that their total exposure with respect to prepetition litigation, including the Tucker case, does not exceed $2.8 million.

(c) Certain Executory Contracts and Unexpired Leases.

The Debtors have determined that certain prepetition unexpired leases and executory contracts ("**Contracts to be Rejected**") to which one or more of the Debtors is a party should be rejected pursuant to section 365 of the Bankruptcy Code. The Debtors currently believe that prepetition rejection damage claims with respect to the Contracts to be Rejected will total approximately $1.4 million.

The Debtors will continue to review their prepetition executory contracts and unexpired leases to determine which such contracts and leases they will assume or reject pursuant to section 365 of the Bankruptcy Code. Prepetition executory contracts and unexpired leases will be governed by Article [X] of the Plan.

3.5 ***Prepetition Funded Indebtedness and Capital Structure.***

As of the Commencement Date, the Debtors had approximately $692 million of outstanding funded indebtedness, which includes principal and interest that has accrued under an existing revolving credit facility (the "**Existing Revolving Credit Facility**") and principal and interest that has accrued under Tranche A Loans, which facilities are governed by the Existing Credit Agreement.

Pursuant to amendments dated December 6, 2007 and April 29, 2008, to the Existing Credit Agreement (together, the "**Amendments**"), the total availability under the Existing Revolving Credit Facility was reduced from $375 million to $150 million, and the total incremental availability under the Existing Credit Agreement was reduced from $500 million to $250 million and, ultimately, borrowings thereunder were suspended.

JRC is the ultimate parent of the other Debtors. JRC's authorized capital stock consists of common stock and preferred stock, including 75,000 authorized shares of Series A Junior Participating Preferred Stock, none of which has been issued. JRC's Existing Common Stock was traded on the New York Stock Exchange ("**NYSE**") under the symbol "JRC." On April 16, 2008, the NYSE suspended trading of the Existing Common Stock. Shortly thereafter, the Existing Common Stock began trading in the over-the-counter market under the symbol JRCO.PK. On July 22, 2008, JRC terminated registration of the Existing Common Stock with the SEC. As of February 3, 2009, there were 199 holders of record of the Existing Common Stock. As of the Petition Date, certain of the Debtors' executive officers, directors and their affiliates beneficially owned or controlled, in the aggregate, less than 0.01% of the outstanding Existing Common Stock.

ARTICLE IV.

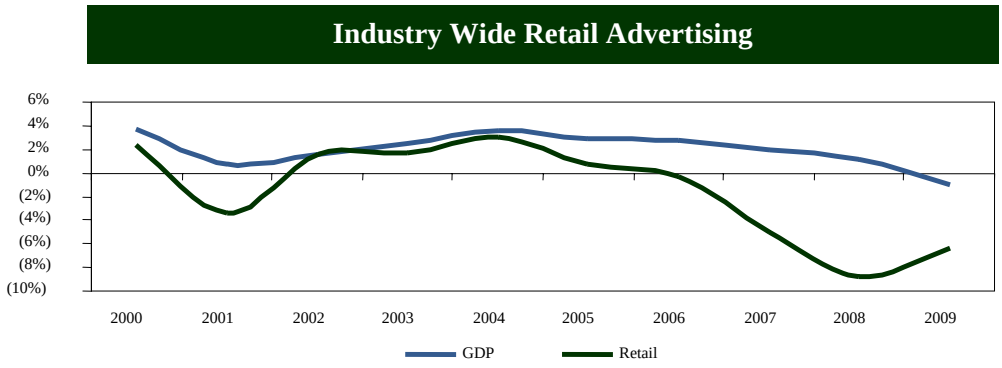
EVENTS LEADING TO CHAPTER 11 FILING

In recent years, the newspaper industry and the Company have battled declining readership and circulation, declining advertising revenues due to alternative choices for

advertisers, ongoing margin pressure and an ongoing free cash flow decline as print media pricing adapts to a more digitally-oriented and highly-competitive marketplace. The recent global recession has placed an even greater burden on an already distressed industry, leading to unprecedented industry-wide revenue declines. The slumping retail market has reduced demand for retail advertising, and the rise in the national unemployment rate, coupled with the decline in the real estate and auto sectors has led to a significant decline in classified advertising.

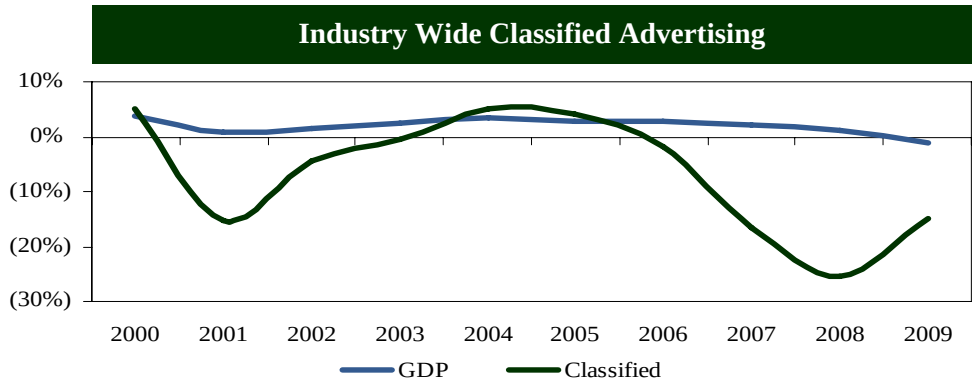
With the increased competition from other forms of media and slumping advertising revenues, the downward pressure on newspaper earnings will likely remain intense in the near-term. Further, many media companies, such as the Company, have heavy debt loads that are not sustainable in the current economic environment.

The advertising revenue on which the media industry relies is currently being driven down by macroeconomic trends, including, but not limited to, the current housing downturn, declining automotive sales, the retail sector slowdown, a slow labor market and a shift in advertising dollars to online media. Due to structural changes in the advertising business and the reduced consumer spending in the current market, industry-wide retail advertising performance was significantly negatively impacted in 2007 and 2008.



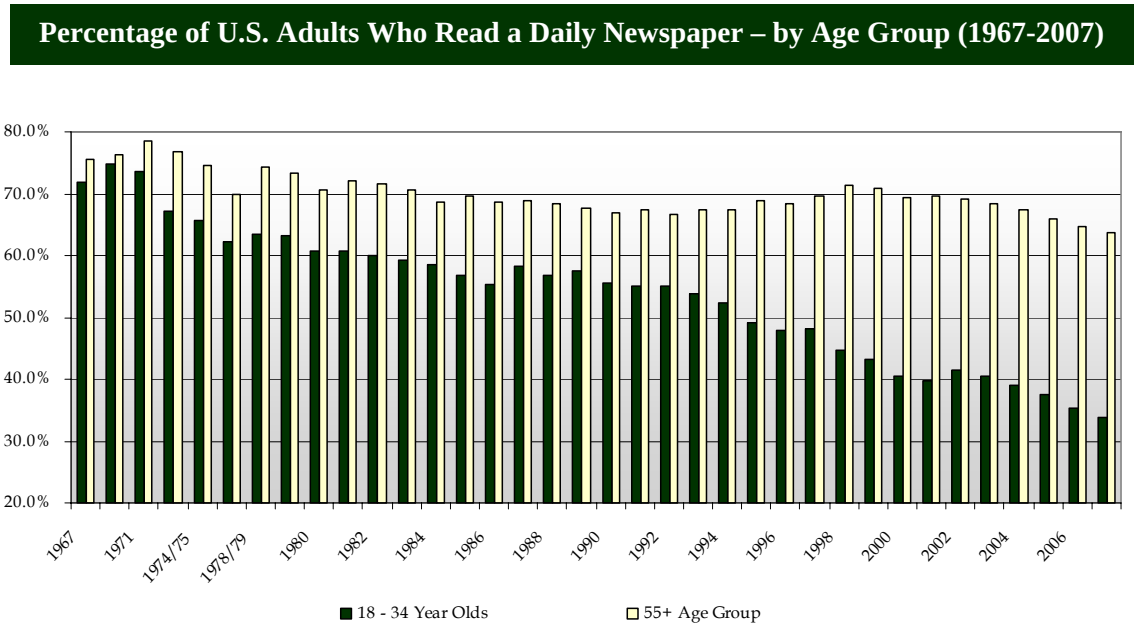
Source: Wall Street Research and Bloomberg.

In addition to the industry-wide decline in retail advertising sales, weakness in the real estate and auto markets and a soft labor demand have created a significant downturn in classified advertising revenue. Also, in recent years, Internet sites devoted to recruitment, automobile and real estate have become significant competitors of the Company's newspapers and websites.



Source: Wall Street Research and Bloomberg.

In addition, increased competition from other forms of media has led to newspaper industry-wide decreases in circulation volume and revenues. The ability to obtain new subscribers was also adversely affected by changes to telemarketing regulations ("do not call" legislation) in 2004. Telemarketing historically had been the largest single source of new subscribers for the newspaper industry. The Company has been, and is likely to continue to be, effected by the industry-wide decline in circulation.



Source: Barclays.

Due in large part to these market trends, the Company's total revenue declined by 2.0% in 2006, 8.5% in 2007 and by an estimated 10% in 2008.

(in thousands)	2003	2004	2005	2006	2007	LTM 2008[(1)]
Advertising	$268,723	$329,205	$403,566	$393,214	$352,994	$307,604
% Change		*22.5%*	*22.6%*	*-2.6%*	*-10.2%*	*-12.9%*
Circulation	73,055	80,507	94,405	93,581	91,650	93,969
% Change		*10.2%*	*17.3%*	*-0.9%*	*-2.1%*	*2.5%*
Commercial printing and other	16,864	17,032	18,617	19,270	18,571	15,515
% Change		*1.0%*	*9.3%*	*3.5%*	*-3.6%*	*-16.5%*
Total Revenue	$358,642	$426,744	$516,588	$506,065	$463,215	$417,088
% Change		*19.0%*	*21.1%*	*-2.0%*	*-8.5%*	*-10.0%*

(1) LTM as of November 2008 Financials

4.1 *The Debtors' Operational Restructuring.*

(a) Initial Cost-Cutting and Restructuring Measures.

In the Fall of 2007, in response to the challenges facing its business, the Company's management (the "**Management**") began reducing its labor force and embarked on other endeavors to decrease operating costs. Such reductions included the sale of the corporate jet, a freeze on company auto purchases, the elimination of corporate bonuses and country club memberships, and the downsizing of several executive positions. The Company also focused on developing its online and digital media businesses, and worked diligently to correct technology problems that had previously hampered its growth in these key areas.

Further, in January 2008, the Company undertook a large cost-cutting initiative to address the increasing challenges facing the newspaper industry. These efforts included the elimination of approximately $6.4 million in annual expenses due to the closure of 34 unprofitable publications, the reduction of 112 full time employees, and the closure or consolidation of multiple staff offices.

(b) The Debtors' Operational Restructuring.

In addition, beginning in July 2008, the Debtors embarked on a significant operational restructuring to cut costs and increase liquidity (the "**Operational Restructuring**"). To date, this endeavor has resulted in the closure of many of the Debtors' publications, the downsizing of the Debtors' labor force, and additional extensive cost-cutting initiatives that have led to lower operating expenses for the Debtors' remaining publications. On July 23, 2008, the Company retained Conway, Del Genio, Gries & Co., LLC ("**CDG**") to provide restructuring management services and Robert Conway to act as their chief restructuring officer, in order to assist the Company in developing and facilitating the Operational Restructuring.

(c) Cluster Reorganization.

When formulating the Operational Restructuring, the Company, assisted by CDG, undertook a detailed review of the viability of each publication to eliminate marginally profitable

and money-losing publications. The Company then developed a strategy for each of its geographic clusters (the "**Cluster Reorganization**").

(1) The Greater Philadelphia Cluster.

Prior to the commencement of the Operational Restructuring, there was overlap among the Debtors' operations in the Greater Philadelphia Cluster, which resulted in higher expenses for the Debtors. The Greater Philadelphia Cluster was streamlined through the Operational Restructuring. Prior to the Commencement Date, the Debtors eliminated publications in the Greater Philadelphia Cluster. These closures eliminated duplicative efforts in outside sales, inside sales, production, operations, editorial and circulation.

(2) The Connecticut Cluster.

In connection with the Cluster Reorganization, the Debtors eliminated publications in the Connecticut Cluster, consolidated its business offices in the region and substantially reduced editorial staff. These closures eliminated duplicative efforts in outside sales, inside sales, production, operations, editorial and circulation. In addition, in the first quarter of 2009, the Debtors sold their publications in New Britain and Bristol, including *The Bristol Press*, *The Herald of New Britain* and the Internet domain names for such publications to Central Connecticut Communications, LLC.

(3) The Michigan Cluster.

Prior to the Commencement Date, the Debtors eliminated publications in the Michigan Cluster, consolidated their facilities in the region and reduced their workforce in the cluster. These closures eliminated duplicative efforts in outside sales, inside sales, production, operations, editorial and circulation.

(4) The Ohio Cluster.

As the Ohio Cluster has maintained strong profitability, the Debtors did not significantly alter the strategy of, or the publications disseminated in, the Ohio Cluster as part of the Cluster Reorganization. The Debtors did, however, consolidate the business office of the Ohio Cluster with that of the Michigan Cluster.

(5) The New York Cluster.

In connection with the Cluster Reorganization, prior to the Commencement Date, the Debtors eliminated certain publications in the New York Cluster.

(d) Additional Initiatives.

In addition to the Cluster Reorganization, the Operational Restructuring contemplated other strategic cost-savings initiatives, including: a reduction in operating expenses in 2009 for all remaining publications; the elimination of the Company's 401K match policy; and curtailing JiUS operations in Alabama, Mississippi and Louisiana.

(e) Results of Operational Restructuring.

As of the Commencement Date, the Debtors completed the following cost-saving initiatives: (a) eliminated certain publications and reduced their expenses at all of their facilities; (b) completed operational improvements for Michigan; (c) wound-down JiUS operations in the Southern states; (d) transferred printing operations in Trenton, New Jersey to JRO; (e) restructured certain publications; (f) consolidated *Montgomery Newspapers* and *Main Line* newspaper operations in the Greater Philadelphia Cluster; and (g) restructured Connecticut operations. As outlined in the following table, these initiatives are projected to generate an approximate savings of $11.0 million in 2009 and 2010.

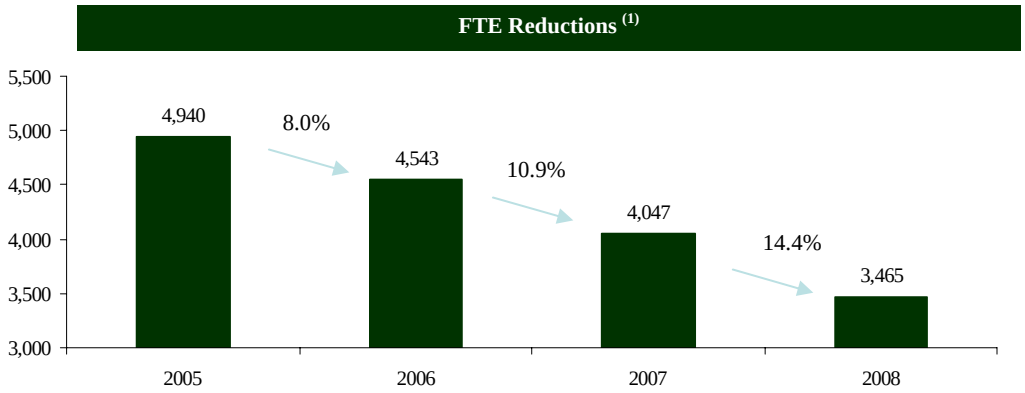
(in millions)		Approximate Savings	
Task	**Additional Description**	**2009**	**2010**
Eliminated Publications and Reduced Property Expenses		$7.0	$7.0
Completed Michigan Operational Improvement Initiatives	• Given Michigan's economic outlook, took additional steps by restructuring publications and further consolidating operations	1.0	1.0
Wound-down JiUS's southern state operations	• Shut down Jobs in the US operations in Alabama, Mississippi and Louisiana	1.0	1.0
Transferred Trenton Printing to Exton		0.8	0.8
Consolidated Montgomery and Main Line		0.7	0.7
Restructured Connecticut Operations	• Eliminated some Connecticut publications.	0.4	0.4
Sub-Total		**$11.0**	**$11.0**

The Debtors have completed additional Operational Restructuring initiatives that are projected to generate approximately $2.7 million in corporate and business office savings in 2009 and $2.8 million in 2010. Including these additional initiatives, outlined in the table below, the estimated savings generated from the Operational Restructuring is projected to total $13.7 million in 2009 and $13.8 million in 2010.

(in millions)		Approximate Savings	
Task	**Additional Description**	**2009**	**2010**
Eliminated 401K Match		$2.3	2.3
Eliminated Shared Services Expenses		0.3	0.3
Consolidated Many Ohio Business Office Functions	• Consolidated some Ohio back office functions into Michigan.	0.1	0.2
Sub-Total		**$2.7**	**$2.8**
Grand Total		**$13.7**	**$13.8**

Pursuant to the Operational Restructuring, as well as the Debtors' earlier cost-cutting initiatives, the Debtors have reduced their FTEs to approximately 3,465 as of the end of

2008, bringing the total number of FTEs eliminated by the Debtors during the years 2006-2008 to 1,475 (i.e., 30% of the Company's FTEs as of the end of 2005).



(1) 2008 Headcount is preliminary. Historic FTE numbers include discontinued operations.

The Debtors intend to continue to implement aspects of the Operational Restructuring, both during these Reorganization Cases and after their anticipated emergence from chapter 11 bankruptcy, if necessary.

4.2 *The Debtors' Financial Position.*

The Debtors earned revenue of approximately $384 million in total for the period January 1, 2008 through November 30, 2008. As of November 30, 2008, the Debtors' unaudited balance sheet reflected total assets of approximately $596 million and total current liabilities of approximately $737 million, due to the classification of all of the Debtors' obligations under the Existing Credit Agreement as current.

4.3 *Events Leading to the Formulation of the Plan.*

Due in large part to the negative effects of industry-wide trends, and in spite of its significant cost-cutting initiatives, the Company was unable to comply with certain covenants under the Existing Credit Agreement. Therefore, the Company informed the Administrative Agent that it anticipated it would be unable to comply with certain of its financial covenants under the Existing Credit Agreement on and after July 24, 2008.

Subsequently, the Debtors and the Lenders entered into that certain Forbearance Agreement and Amendment No. 3, dated as of July 24, 2008 (as subsequently amended, the "**Forbearance Agreement**"), pursuant to which the Administrative Agent, on behalf of the Lenders, agreed to forbear from exercising certain rights and remedies available under the Existing Credit Agreement until the earlier of an occurrence of an event of default under the Forbearance Agreement and October 31, 2008 (the "**Forbearance Period**"). The Forbearance Agreement required the Debtors to retain a chief restructuring officer. After assessing certain restructuring firms, the Company determined to engage CDG, and Mr. Conway to serve as chief restructuring officer. The Forbearance Agreement also required the Debtors to deliver to the Lenders a five-year business plan (the "**Business Plan**") and a bona fide term sheet setting forth the terms of a comprehensive restructuring of the Company's capital structure. As required by

the Forbearance Agreement, the Debtors, with the assistance of CDG, delivered the Business Plan, which detailed the Operational Restructuring, to the Lenders in October 2008. Thereafter, the Forbearance Agreement was amended to extend the Forbearance Period to February 6, 2009, at which date the Debtors were required to deliver to the Lenders the documentation necessary to implement a comprehensive restructuring.

During the Forbearance Period, at the direction of JRC's Board of Directors (the "**JRC Board**"), Management and the Company's advisors engaged in discussions with the Lenders to explore a consensual restructuring of the Debtors' obligations. During the course of such discussions, the Forbearance Period expired. On February 11, 2009, the Administrative Agent delivered a letter to the Debtors expressly reserving all of their rights under the Existing Credit Agreement. Subsequently, on February 12, 2009, a term sheet (the "**Term Sheet**") regarding a proposed restructuring of the Company was finalized, following months of negotiations. The Debtors believe that the Term Sheet presents the best option for a consensual restructuring and the best opportunity to maximize value for the Debtors' stakeholders.

Thereafter, the Debtors and certain of the Lenders (the "**Consenting Lenders**") entered into the Plan Support Agreement on or about February 20, 2009. Pursuant to the terms of the Plan Support Agreement, the Consenting Lenders agreed to support a plan of reorganization consistent with the terms of the Term Sheet, provided certain additional conditions are met. (A copy of the Plan Support Agreement is attached hereto as **Exhibit 2**).

The Plan Support Agreement culminated in the Plan, which was filed contemporaneously herewith. If consummated, the restructuring transactions contemplated in the Plan will substantially de-lever the Debtors and provide cost savings, operational efficiency and additional needed liquidity. A summary of the terms of the Plan is contained in Article VI of this Disclosure Statement, and the Plan is attached hereto as **Exhibit 1**.

ARTICLE V.

REASONS FOR THE SOLICITATION; RECOMMENDATION

Chapter 11 of the Bankruptcy Code provides that unless the terms of section 1129(b) of the Bankruptcy Code are satisfied, for the Bankruptcy Court to confirm the Plan as a consensual plan, the holders of impaired Claims against the Debtors in each Class of impaired Claims must accept the Plan by the requisite majorities set forth in the Bankruptcy Code. An impaired Class of Claims shall have accepted the Plan if (a) the holders of at least two-thirds in amount of the Claims in such Class actually voting on the Plan have voted to accept it, and (b) more than one-half in number of the holders in such Class actually voting on the Plan have voted to accept it (such votes, the "**Requisite Acceptances**").

In light of the significant benefits to be attained by the Debtors and their creditors if the transactions contemplated by the Plan are consummated, the Debtors recommend that all holders of Claims entitled to do so, vote to accept the Plan. The boards of directors of each of the Debtors (collectively, the "**Company Boards**") and the Company's officers have reached this decision after considering available alternatives to the Plan and their likely effect on the Debtors' business operations, creditors, and shareholders. These alternatives included

liquidation of the Debtors under chapter 7 of the Bankruptcy Code or an alternative reorganization under chapter 11 of the Bankruptcy Code. The Debtors determined, after consulting with their legal and financial advisors, that the Plan, if consummated, will maximize the value of these estates for stakeholders, as a result of the compromises and settlements embodied therein, as compared to any other out-of-court refinancing scenario reasonably available, or any other chapter 11 reorganization strategy or a liquidation under chapter 7. For all of these reasons, the Debtors' officers and the Company Boards support the Plan and urge the holders of Claims entitled to vote on the Plan to accept and support it.

ARTICLE VI.

THE PLAN

6.1 *Overview of Chapter 11.*

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11, a debtor is authorized to reorganize its business for the benefit of itself, its creditors and its equity interest holders. In addition to permitting the rehabilitation of a debtor, another goal of chapter 11 is to promote equality of treatment for similarly situated creditors and similarly situated equity interest holders with respect to the distribution of a debtor's assets.

The commencement of a chapter 11 case creates an estate that is comprised of all of the legal and equitable interests of the debtor as of the Commencement Date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

The consummation of a plan of reorganization is the principal objective of a chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the bankruptcy court makes the plan binding upon the debtor, any issuer of securities under the plan, any Person acquiring property under the plan and any creditor or equity interest holder of a debtor. Subject to certain limited exceptions, the order approving confirmation of a plan discharges a debtor from any debt that arose prior to the date of confirmation of the plan and substitutes therefor the obligations specified under the confirmed plan.

In general, a chapter 11 plan of reorganization (a) divides claims and equity interests into separate classes, (b) specifies the property, if any, that each class is to receive under the plan, and (c) contains other provisions necessary to the reorganization of the debtor and that are required or permitted by the Bankruptcy Code.

Pursuant to section 1125 of the Bankruptcy Code, acceptance or rejection of a plan may not be solicited after the commencement of the Reorganization Cases until such time as the court has approved the Disclosure Statement as containing adequate information. Pursuant to section 1125(a) of the Bankruptcy Code, "adequate information" is information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding the plan. To satisfy applicable disclosure requirements, the Debtors submit this

Disclosure Statement to holders of Claims that are impaired and not deemed to have rejected the Plan.

6.2 *Settlement of Certain Inter-Creditor Issues.*

The treatment of Claims under the Plan represents, among other things, the settlement and compromise of certain inter-creditor disputes.

6.3 *Substantive Consolidation of Debtors for Purposes of Voting, Confirmation and Distribution.*

The Plan provides for substantive consolidation of the Debtors' Estates, but solely for purposes of voting, confirmation, and making distributions to the holders of Allowed Claims under the Plan. On the Effective Date: (a) all guarantees of any Debtor of the payment, performance or collection of another Debtor with respect to Claims against such Debtor shall be eliminated and cancelled; and (b) any obligation of any Debtor and all guarantees by a Debtor with respect to Claims against one or more of the other Debtors shall be treated as a single obligation. On the Effective Date, and in accordance with the terms of the Plan and the consolidation of the assets and liabilities of the Debtors, all Claims based upon guarantees of collection, payment, or performance made by a Debtor as to the obligation of another Debtor shall be released and of no further force and effect. Except as set forth in Section 2.2 of the Plan, such substantive consolidation shall not affect (a) the legal and corporate structure of the Reorganized Debtors, or (b) any obligations under any leases or contracts assumed in the Plan or otherwise after the Commencement Date.

Notwithstanding anything to the contrary in the Plan, on or after the Effective Date, any and all Intercompany Claims will be adjusted (including by contribution, distribution in exchange for new debt or equity, or otherwise), paid, continued, or discharged to the extent reasonably determined appropriate by the Reorganized Debtors. Any such transaction may be effected on or subsequent to the Effective Date without any further action by the Bankruptcy Court or by the stockholders of any of the Reorganized Debtors.

Notwithstanding the substantive consolidation of the Estates for the purposes set forth in Section 2.2(a) of the Plan, each Reorganized Debtor shall pay all U.S. Trustee Fee Claims on all disbursements, including Plan Distributions and disbursements in and outside of the ordinary course of business, until the entry of a Final Decree in its Reorganization Case, dismissal of its Reorganization Case, or conversion of its Reorganization Case to a case under chapter 7 of the Bankruptcy Code.

6.4 *No Distributions to Equity Interests.*

No Plan Distributions shall be made on account of any Interests in any Debtor regardless of whether such Interests are held by a Person which is not a Debtor; provided, however, that any Debtor that owns Interests in another Debtor shall retain such Interests.

6.5 ***The Company Pension Plan and Multiemployer Pension Plans.***

(a) Company Pension Plan.

Under the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), JRC and the members of its controlled group are jointly and severally liable to the Pension Benefit Guaranty Corporation ("**PBGC**") for unfunded benefit liabilities, as defined in 29 U.S.C. § 1301(a)(18), if the Company Pension Plan terminates. Prior to termination, JRC and members of its controlled group are jointly and severally liable for the contributions necessary to satisfy ERISA's minimum funding standards. See 29 U.S.C. §§ 1082 and 1362(c); 26 U.S.C. § 412. JRC and members of its controlled group are also jointly and severally liable for PBGC premiums, and interest, and penalties, if any, imposed by ERISA for plans covered by Title IV of ERISA. See 29 U.S.C. § 1307(a), (b), (e); 29 C.F.R. § 4007.12(a).

JRC intends to continue the Company Pension Plan, fund the plan in accordance with the minimum funding standards under the Internal Revenue Code of 1986, as amended ("**IRC**"), pay all required PBGC insurance premiums, and continue to administer and operate the Company Pension Plan in accordance with the terms of the Company Pension Plan and provisions of ERISA. JRC's reorganization proceedings, and, in particular, the Plan of Reorganization, shall not in any way be construed as discharging, releasing or relieving JRC, Reorganized JRC, or any party, in any capacity, from any liability with respect to the Company Pension Plan under any law or regulatory provision relating to the Company Pension Plan. The Company Pension Plan will not be terminated pursuant to the Plan. On and after the Effective Date, the Reorganized Debtors shall remain primarily liable for contributions to the Company Pension Plan and will remain the sponsor of the Company Pension Plan.

(b) Multiemployer Pension Plans.

Under ERISA, in the event of a complete or partial withdrawal from any of the Multiemployer Pension Plans, JRC will be responsible for paying its share of withdrawal liability, calculated based on the value of the relevant Multiemployer Pension Plan's unfunded vested benefits. See 29 U.S.C. §§ 1381 through 1383; 1385; 1391. A complete withdrawal from a multiemployer plan can be effected either through a shutdown of operations or if a contributing employer ceases to be obligated to contribute. 19 U.S.C. § 1383. JRC and members of its controlled group can be held jointly and severally liable for withdrawal liability payments under ERISA. See 29 U.S.C. §§ 1301 and 1399.

Because of the extent of the anticipated contribution increases that will be needed to stabilize the funded status of multiemployer plans in critical status, for relatively small numbers of employees, JRC intends to commence immediate negotiations seeking to eliminate its obligations to make further contributions to the GCIU Fund, the Central States Fund, the GCIU ERF, and the GCC IBT Fund. If these negotiations fail, JRC expects to seek rejection of the provisions of the applicable collective bargaining agreements pursuant to which contributions to these Funds is required, in accordance with section 1113 of the Bankruptcy Code.

As mentioned in Section 3.3(b) above, JRC is only one of two contributing employers still remaining in the GCIU Fund, and the other employer, Gannett Co., Inc.

("**Gannett**") informed advisors to the Company that it intends to withdraw from the GCIU Fund during 2009. In the event that both Gannett and JRC withdraw from the GCIU Fund, this will trigger a mass withdrawal under ERISA and a termination of the GCIU Fund. 29 U.S.C. 4041(a)(2). Withdrawal liability in the event of a mass withdrawal is calculated slightly differently than in the event of a complete withdrawal, and may result in the imposition of additional liability on an employer who has already withdrawn from a multiemployer plan. See 29 C.F.R. §§ 4219.11 through 4219.16. However, while the duration of required payments may be extended in the event of a mass withdrawal, the amount of each required payment for an employer will generally be no higher than the highest contribution rate to which the employer was subject while it contributed to the plan. See 29 U.S.C. 1399(c)(1)(C)(i).

6.6 ***Overview of the Plan.***

THE FOLLOWING IS A SUMMARY OF SOME OF THE SIGNIFICANT ELEMENTS OF THE PLAN. THIS DISCLOSURE STATEMENT IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN AND THE EXHIBITS AND SCHEDULES THERETO.

The Plan classifies Claims and Interests separately in accordance with the Bankruptcy Code and provides different treatment for different Classes of Claims and Interests. Claims and Interests shall be included in a particular Class only to the extent such Claims or Interests qualify for inclusion within such Class. The Plan separates the various Claims (other than those that do not need to be classified) into [five (5)] separate Classes and classifies the Interests into one Class. These Classes take into account the differing nature and priority of Claims against, and Interests in, the Debtors. Unless otherwise indicated, the characteristics and amounts of the Claims or Interests in the following Classes are based on the books and records of the Debtors.

This section summarizes the treatment of each of the Classes of Claims and Interests under the Plan, describes the capital structure of the Reorganized Debtors, and describes other provisions of the Plan. Only holders of Allowed Claims — Claims that are not in dispute, contingent, or unliquidated in amount and are not subject to an objection or an estimation request — are entitled to receive distributions under the Plan. For a more detailed description of the definition of "Allowed," see Article I of the Plan. Until a Disputed Claim becomes Allowed, no distribution of Cash, securities and/or other instruments or property otherwise available to the holder of such Claim will be made.

The Plan is intended to enable the Debtors to continue present operations without the likelihood of a subsequent liquidation or the need for further financial reorganization. The Debtors believe that they will be able to perform their obligations under the Plan and meet their expenses after the Effective Date without further financial reorganization. Also, the Debtors believe that the Plan permits fair and equitable recoveries, while expediting the reorganization of the Debtors.

The Confirmation Date will be the date that the Confirmation Order is entered by the Clerk of the Bankruptcy Court. The Effective Date will be the first Business Day on or after the Confirmation Date on which all of the conditions to the Effective Date specified in Section

[11.2] of the Plan have been satisfied or waived and the parties have consummated the transactions contemplated by the Plan.

The Debtors anticipate that the Effective Date will occur prior to July 2009. Resolution of any challenges to the Plan may take time and, therefore, the actual Effective Date cannot be predicted with certainty.

Other than as specifically provided in the Plan, the treatment under the Plan of each Claim and Interest will be in full satisfaction, settlement, release and discharge of all Claims or Interests. The Reorganized Debtors will make all payments and other distributions to be made under the Plan unless otherwise specified.

All Claims and Interests, except Administrative Expense Claims, Fee Claims, U.S. Trustee Fees and Priority Tax Claims, are placed in the Classes set forth in Article [IV] of the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Fee Claims, U.S. Trustee Fees and Priority Tax Claims have not been classified, and the holders thereof are not entitled to vote on the Plan. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes.

(a) Unclassified Claims.

(1) Administrative Expense Claims.

Time for Filing Administrative Expense Claims: The holder of an Administrative Expense Claim, other than the holder of:

a. a Fee Claim;

b. an Administrative Expense Claim that has been Allowed on or before the Effective Date;

c. an Administrative Expense Claim for an expense or liability incurred and payable in the ordinary course of business by a Debtor;

d. an Administrative Expense Claim on account of fees and expenses incurred on or after the Commencement Date by ordinary course professionals retained by the Debtors pursuant to an order of the Bankruptcy Court;

e. an Administrative Expense Claim held by a current officer, director or employee of the Debtors for indemnification, contribution, or advancement of expenses pursuant to (A) any Debtor's certificate of incorporation, by-laws, or similar organizational document or (B) any indemnification or contribution agreement approved by the Bankruptcy Court;

f. an Administrative Expense Claim arising, in the ordinary course of business, out of the employment by one or more Debtors of an individual from and after the Commencement Date, but only to the extent that such Administrative Expense Claim is solely for outstanding wages, commissions, accrued benefits, or reimbursement of business expenses; and

g. U.S. Trustee Fees,

must file with the Bankruptcy Court and serve on the Debtors, the Claims Agent, the Creditors' Committee and the Office of the United States Trustee, proof of such Administrative Expense Claim **within thirty (30) days after the Effective Date** (the "**Administrative Bar Date**"). Such proof of Administrative Expense Claim must include at a minimum (i) the name of each Debtor that is purported to be liable for the Administrative Expense Claim, (ii) the name of the holder of the Administrative Expense Claim, (iii) the amount of the Administrative Expense Claim, (iv) the basis of the Administrative Expense Claim, and (v) supporting documentation for the Administrative Expense Claim. **FAILURE TO FILE AND SERVE SUCH PROOF OF ADMINISTRATIVE EXPENSE CLAIM TIMELY AND PROPERLY SHALL RESULT IN THE ADMINISTRATIVE EXPENSE CLAIM BEING FOREVER BARRED AND DISCHARGED.**

Treatment of Administrative Expense Claims: Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) calendar days after the date an Administrative Expense Claim becomes an Allowed Claim, the holder of such Allowed Administrative Expense Claim shall receive Cash in an amount equal to such Allowed Claim; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtors, as debtors in possession, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents relating to, such transactions.

(2) Fee Claims.

Time for Filing Fee Claims: Any Professional Person seeking allowance by the Bankruptcy Court of a Fee Claim shall file its respective final application for allowance of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date no later than forty-five (45) days after the Effective Date. **FAILURE TO FILE AND SERVE SUCH FEE APPLICATION TIMELY AND PROPERLY SHALL RESULT IN THE FEE CLAIM BEING FOREVER BARRED AND DISCHARGED.**

Objections to Fee Claims, if any, must be filed and served pursuant to the procedures set forth in the Confirmation Order no later than sixty-five (65) days after the Effective Date or such other date as established by the Bankruptcy Court.

Treatment of Fee Claims: A Fee Claim in respect of which a final fee application has been properly filed and served pursuant to Section [3.2(a)] of the Plan shall be payable by the Reorganized Debtors to the extent approved by a Final Order of the Bankruptcy Court. On or prior to the Effective Date, each holder of a Fee Claim shall submit to the Debtors and the Creditors' Committee estimates of any Fee Claims that may accrue prior to the Effective Date that have not been included in a monthly fee statement or interim fee application submitted by such Professional.

(3) U.S. Trustee Fees.

On the Effective Date or as soon as practicable thereafter, the Debtors or Reorganized Debtors shall pay all U.S. Trustee Fees.

(4) Priority Tax Claims.

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to less favorable treatment, each holder of an Allowed Priority Tax Claim shall receive, in the Reorganized Debtors' discretion and with the consent of the Consenting Lenders, either (a) on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Business Day after the date that is thirty (30) calendar days after the date a Priority Tax Claim becomes an Allowed Claim, Cash in an amount equal to such Claim, or (b) deferred Cash payments following the Effective Date, over a period ending not later than five (5) years after the Commencement Date, in an aggregate amount equal to the Allowed amount of such Priority Tax Claim (with any interest to which the holder of such Priority Tax Claim may be entitled to be calculated in accordance with section 511 of the Bankruptcy Code); provided, however, that all Allowed Priority Tax Claims that are not due and payable on or before the Effective Date shall be paid in the ordinary course of business as they become due.

(b) Classification of Claims and Interests.

(1) Priority Non-Tax Claims (Class 1).

Treatment: The legal, equitable and contractual rights of the holders of Class 1 Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Quarterly Distribution Date after the date a Priority Non-Tax Claim becomes an Allowed Claim, the holder of such Allowed Priority Non-Tax Claim shall receive Cash in an amount equal to such Claim.

Voting: In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Priority Non-Tax Claims are conclusively presumed to accept the Plan and the votes of such holders will not be solicited with respect to such Allowed Priority Non-Tax Claims.

(2) Secured Lender Claims (Class 2).

Allowance: On the Effective Date, the Secured Lender Claims shall be deemed Allowed in the aggregate amount of $[ ].

Treatment: Except to the extent that a holder of a Secured Lender Claim agrees to different treatment, the following treatment shall constitute full and final satisfaction of each Secured Lender Claim:

(a) payment in Cash of its Pro Rata Share of $[ ] towards (A) the satisfaction, in full, of its Pro Rata Share of the Secured Lender Fee Claims (which, on the Effective Date, shall be deemed Allowed in the aggregate amount of $[ ]); and (B) deposit of $[ ] into the Trade Account, for the purposes described in Section [7.1] of the Plan;

(b) receipt of its Pro Rata Share, and the assumption by the Reorganized Debtors, of the New Term Loan Facility Obligations; and

(c) receipt of its Pro Rata Share of 100% of the New Common Stock (consisting either of Class A Common Stock or Class B Common Stock, in each such holder's sole discretion), subject to dilution only by: (A) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees; (B) the Revolving Facility Stock; and (C) any Warrant Shares issued upon the exercise of the Revolving Facility Warrants (if any).

Voting: The Secured Lender Claims are impaired Claims, and holders of such Claims are entitled to vote to accept or reject the Plan.

(3) Other Secured Claims (Class 3).

Treatment: The legal, equitable and contractual rights of the holders of Class 3 Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed Other Secured Claim agrees to less favorable treatment, on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the first Quarterly Distribution Date after the date an Other Secured Claim becomes an Allowed Claim, each holder of such Allowed Other Secured Claim shall receive, at the election of the Reorganized Debtors (with the consent of the Consenting Lenders): (a) Cash in an amount equal to such Allowed Claim; or (b) such other treatment that will render the Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code; provided, however, that Class 3 Claims incurred by a Debtor in the ordinary course of business may be paid in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto in the discretion of the applicable Debtor or Reorganized Debtor, and with the consent of the Consenting Lenders, without further notice to or order of the Bankruptcy Court. Each holder of an Allowed Other Secured Claim shall retain the Liens securing its Allowed Other Secured Claim as of the Effective Date until full and final payment of such Allowed Other Secured Claim is made as provided in the Plan. On the full payment or other satisfaction of such Claims in accordance with the Plan, the Liens securing such Allowed Other Secured Claim shall be deemed released, terminated and extinguished, in each case without further notice to or order of the Bankruptcy Court, act or action under

applicable law, regulation, order or rule or the vote, consent, authorization or approval of any Person.

Voting: In accordance with section 1126(f) of the Bankruptcy Code, the holders of Allowed Other Secured Claims are conclusively presumed to accept the Plan and are not entitled to vote to accept or reject the Plan.

(4) Unsecured Claims (Class 4).

Treatment: Holders of Unsecured Claims are not entitled to any distribution under the Plan.

Voting: In accordance with section 1126(g) of the Bankruptcy Code, the holders of Unsecured Claims are conclusively presumed to reject the Plan and are not entitled to vote to accept or reject the Plan.

(5) Existing Common Stock Interests (Class 5).

Treatment: Shares of Existing Common Stock shall be cancelled and holders of Existing Common Stock Interests shall not be entitled to any distribution under the Plan.

Voting: In accordance with section 1126(g) of the Bankruptcy Code, the holders of Existing Common Stock Interests are conclusively presumed to reject the Plan and are not entitled to accept or reject the Plan.

(6) Existing Securities Laws Claims (Class 6).

Treatment: Holders of Existing Securities Laws Claims shall not receive or retain any distribution under the Plan on account of such Existing Securities Laws Claims.

Voting: In accordance with section 1126(g) of the Bankruptcy Code, the holders of Existing Securities Laws Claims are conclusively presumed to reject the Plan and are not entitled to vote to accept or reject the Plan.

6.7 ***Summary of Capital Structure of Reorganized Debtors.***

The following table summarizes the capital structure of the Reorganized Debtors, including the post-Effective Date financing arrangements the Reorganized Debtors expect to enter into to fund their obligations under the Plan and provide for their post-Effective Date working capital needs. The anticipated principal terms of the following instruments are described in more detail below. The summary of the Reorganized Debtors' capital structure is qualified in its entirety by reference to the Plan and the applicable Plan Documents.

Instrument	**Description**
New Tranche A Loan Facility	The New Tranche A Loan Facility shall be in the aggregate principal amount of $175 million (the "**Tranche A Loans**") and shall bear interest, at Reorganized JRC's

Instrument	Description
	election, at a rate per annum of either: (i) the Alternate Base Rate[3] (with a floor of 4.00%) + 450 bps; or (ii) the Adjusted LIBO Rate (with a LIBOR floor of 5.00%) + 550 bps.
New Tranche B Loan Facility	The New Tranche B Loan Facility shall be in the aggregate principal amount of $100 million (the "**Tranche B Loans**"). The New Tranche B Loan Facility shall bear interest at a fixed rate of 15.00% per annum.
Revolving Credit Facility	The Revolving Credit Facility shall be in the amount of $25 million. The Revolving Credit Facility shall bear interest, at Reorganized JRC's election, at a rate per annum of either: (i) the Alternate Base Rate + 450 bps; or (ii) the Adjusted LIBO Rate + 550 bps.
New Common Stock	On the Effective Date, Reorganized JRC will issue [ ] shares of New Common Stock, and an additional [ ] shares of New Common Stock will be reserved for issuance upon exercise of (i) the Revolving Facility Warrants and (ii) options to purchase New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees. The New Common Stock will be divided into two classes: (i) a class of full-voting common stock (the "**Class A Common Stock**") and (ii) a separate class of limited voting common stock (the "**Class B Common Stock**").
Revolving Facility Warrants	On the Effective Date, Reorganized JRC will issue Revolving Facility Warrants to the New Revolving Lenders to purchase shares of New Common Stock at the Warrant Exercise Price (as defined below) on or prior to the expiration of the Warrant Term.

(a) Description of New Term Loan Facilities.

The New Credit Agreements shall provide for the New Tranche A Loan Facility and the New Tranche B Loan Facility in an aggregate amount of up to $275 million pursuant to the terms of the New Credit Agreements. The New Tranche A Loan Facility shall be in the aggregate principal amount of $175 million and the New Tranche B Loan Facility shall be in the

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[3] Capitalized terms used but not otherwise defined in this section or in the Plan shall have the meanings ascribed to such terms in the New Credit Agreement.

aggregate principal amount of $100 million, and together constitute payment in partial satisfaction of the Secured Lender Claims.

(1) New Tranche A Loan Facility.

The New Tranche A Loan Facility shall be secured by (i) a perfected, first priority lien on all assets of Reorganized JRC and its subsidiaries that do not constitute Revolving Credit Facility Collateral (as defined below) (the "**Term Loan Facility Collateral**"), and (ii) a perfected, second priority lien on all inventory, accounts receivables, deposit accounts and other related assets of Reorganized JRC and its subsidiaries, with certain exceptions as described in the Revolving Credit Agreement (the "**Revolving Credit Facility Collateral**").

The New Tranche A Loan Facility will have a final maturity date of four (4) years from the Effective Date and provide for amortization payments of $10 million per year, payable quarterly, commencing in 2010. Reorganized JRC may elect that the New Tranche A Loan Facility bear interest at a rate per annum equal to: (i) the Alternate Base Rate (as defined in the New Credit Agreements and that in no event shall be less than 4.00% per annum) plus 4.50% per annum; or (ii) the Adjusted LIBO Rate (as defined in the New Credit Agreements and that in no event shall be less than 5.00% per annum) plus 5.50% per annum.

(2) New Tranche B Loan Facility.

The New Tranche B Loan Facility shall (i) be secured by (x) a perfected, third priority lien on the Term Loan Facility Collateral and (y) a perfected, third priority lien on the Revolving Credit Facility Collateral; (ii) have a final maturity date of five (5) years from the Effective Date; and (iii) bear interest, payable, in cash or in kind on terms to be agreed, at a fixed rate of 15.00% per annum.

The New Term Loan Facilities will be subject to a mandatory prepayment based upon Reorganized JRC's excess cash flow determined annually for each fiscal year on terms outlined in the New Credit Agreements, which shall be applied, first, to the New Tranche A Loan Facility and, upon payment thereof in full, to the New Tranche B Loan Facility. In addition, the Revolving Credit Facility and the New Term Loan Facilities will be subject to mandatory prepayments upon certain other events as outlined in the New Credit Agreements.

The New Credit Agreements includes various affirmative and negative covenants that require the Reorganized Debtors to comply with ongoing obligations and restrict their businesses in various ways. These covenants remain in effect until the [Commitments (as defined in the New Credit Agreements)] will have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full.

Reorganized JRC and the other Reorganized Debtors shall jointly and severally guarantee to the various lenders and their successors and assigns prompt payment in full of principal and interest on the New Term Loan Facilities and all fees, indemnification payments and other amounts arising under the New Credit Agreements or any other agreement entered into pursuant to the New Credit Agreements, whether direct or indirect, absolute or contingent.

(b) Description of Revolving Credit Facility.

The Revolving Credit Facility in the amount of $25 million shall be used by Reorganized JRC to (i) fund post-Effective Date general corporate purposes of Reorganized JRC and its subsidiaries in the ordinary course of business (including working capital requirements) and (ii) make any payments required under the Plan. Availability under the Revolving Credit Facility will be subject to a borrowing base as outlined in the Revolving Credit Agreement. Obligations incurred under the Revolving Credit Facility shall, *inter alia*, (i) be secured by (x) a perfected, first priority lien on the Revolving Credit Facility Collateral; and (y) a perfected, second priority lien on the Term Loan Facility Collateral; and (ii) have a final maturity date of three (3) years from the Effective Date. The Revolving Credit Facility will bear interest, at Reorganized JRC's election, at a rate per annum equal to: (i) the Alternate Base Rate plus 4.50% per annum; or (ii) the Adjusted LIBO Rate plus 5.50% per annum.

(c) Description of New Common Stock.

(1) Issuance.

Of the New Common Stock, 100% of the New Common Stock will be issued to the holders of Allowed Class [2] Secured Lender Claims, subject to dilution by: (a) the New Common Stock to be issued in the form of (i) shares of New Common Stock issued to holders of Allowed Class [2] Secured Lender Claims who become Revolving Lenders, and (ii) shares of New Common Stock issued upon the exercise of Revolving Facility Warrants issued to New Revolving Lenders; and (b) the options to purchase the New Common Stock that may be issued to the Reorganized Debtors' post-Effective Date directors, officers and employees, including under the Management Equity Plan. The shares of the New Common Stock to be issued to the Revolving Lenders and the New Revolving Lenders will constitute, in the aggregate, up to 20% of the outstanding New Common Stock (without giving effect to the shares issuable under the Management Equity Plan) and will be allocated between Revolving Facility Stock and Revolving Facility Warrants pro rata in proportion to the relative commitments under the Revolving Credit Agreement of the Existing Revolving Lenders and the New Revolving Lenders.

(2) Organizational Documents.

On the Effective Date, JRC's Amended Certificate and By-Laws, both in the forms to be attached to the Plan, which will be filed as part of the Plan Supplement as Exhibits [G and H], respectively, will be automatically authorized and approved. The Amended Certificate will, among other things: (a) authorize issuance of [ ] shares of Class A Common Stock, par value $0.01, and [ ] shares of Class B Common Stock, par value of $0.01; (b) include, pursuant to section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities; (c) include certain restrictions on the transfer of the New Common Stock; and (d) to the extent necessary or appropriate, include such provisions as may be necessary to effectuate the Plan.

(3) The Class A Common Stock and Class B Common Stock.

The economic rights of the Class A Common Stock and Class B Common Stock shall be identical. The Class B Common Stock will not be entitled to general voting rights, but

will be entitled to vote on an "as converted" basis (together with the holders of the Class A Common Stock, voting as a single class) on certain non-ordinary course transactions, including (i) any authorization of, or increase in the number of authorized shares of, any class of capital stock ranking *pari passu* with or senior to the New Common Stock as to dividends or liquidation preference, including additional New Common Stock; (ii) any amendment to Reorganized JRC's Amended Certificate or By-Laws; (iii) any amendment to the Registration Rights Agreement or comparable agreement; (iv) any sale, lease or other disposition of all or substantially all of the assets of Reorganized JRC through one or more transactions; (v) any recapitalization, reorganization, consolidation or merger of Reorganized JRC; (vi) to the extent that holders of Class A Common Stock have the right to vote thereon, any issuance or entry into an agreement for the issuance of capital stock (or any options or other securities convertible into capital stock) of Reorganized JRC, except as may be provided for under any management incentive plan, including the Management Equity Plan, and upon the exercise of the Revolving Facility Warrants; and (vii) to the extent that holders of Class A Common Stock have the right to vote thereon, any redemption, purchase or other acquisition by Reorganized JRC of any of its capital stock (except for purchases from employees upon termination of employment).

The Class B Common Stock will be entitled to a separate class vote on any amendment or modification of any rights or privileges of the Class B Common Stock that does not equally affect the Class A Common Stock. In any liquidation, dissolution or winding up of the Company, all assets will be distributed to holders of the New Common Stock on a *pro rata* basis. Each share of Class B Common Stock will be convertible at the option of the holder, exercisable at any time, into one share of Class A Common Stock; provided that at all times there must be outstanding at lease one share of Class A Common Stock.

The Amended Certificate contains restrictions on dividends, distributions and recapitalizations that are designed to preserve the relative rights of the Class A Common Stock and the Class B Common Stock.

(4) Restrictions on Transfer.

In order to avoid the expense and administrative burden of complying with the reporting obligations under the U.S. Securities Exchange Act of 1934, as amended, the Amended Certificate will contain restrictions on transfer of the New Common Stock and any option, warrant or other right to purchase or otherwise acquire shares of New Common Stock (including the Revolving Facility Warrants), designed to ensure that there will be less than 500 holders of New Common Stock (determined pursuant to the Exchange Act). These transfer restrictions will remain in place until (a) the Board of Directors of Reorganized JRC determines otherwise, or (b) the Amended Certificate is amended to provide otherwise by the affirmative vote of 66 2/3 of the issued and outstanding Class A Common Stock and Class B Common Stock (voting together as a single class). As such, the Amended Certificate will require notice to Reorganized JRC of any proposed transfer of New Common Stock or Revolving Facility Warrants to a Third Party (as defined in the Amended Certificate) and will restrict such transfer if Reorganized JRC's board of directors reasonably determines that the transfer would, if effected, result in Reorganized JRC having 500 or more holders of record (determined pursuant to the Exchange Act).

(5) Registration Rights Agreement.

On the Effective Date, Reorganized JRC and the Existing Lenders shall enter into a Registration Rights Agreement, a substantially final form of which is annexed to the Plan as Exhibit [E]. The Registration Rights Agreement will provide for: (a) "piggyback" registration rights for the New Common Stock (with customary exceptions, including Reorganized JRC's initial public offering); (b) following the initial public offering of Reorganized JRC, for those holders of New Common Stock that cannot sell freely under Rule 144 of the Securities Act, Form S-3 or "short-form" demand registration rights for the New Common Stock (with customary limitations); (c) information rights, including the right of prospective purchasers of the New Common Stock to obtain non-public information upon execution of a confidentiality agreement reasonably acceptable to the Reorganized Debtors; and (d) preemptive rights (with customary exceptions).

(d) Description of Revolving Facility Warrants.

On the Effective Date, the Reorganized Debtors will enter into the Revolving Facility Warrant Agreement with the Revolving Facility Warrant Agent for the benefit of the holders of the Revolving Facility Warrants. The holders of the Revolving Facility Warrants will have the right to purchase a fixed number of Warrant Shares at a price per share of $[ ] (the "**Warrant Exercise Price**") on or prior to [ ] (the "**Warrant Term**"). The number of Warrant Shares and Warrant Exercise Price are subject to adjustment in the event of any stock split, stock dividend, stock consolidation, recapitalization of the New Common Stock or the like. Holders of the Revolving Facility Warrant will have the option to receive Class A Common Stock or Class B Common Stock upon exercise of the Revolving Facility Warrants.

Transfer of the Revolving Facility Warrants and the Warrant Shares will be subject to restrictions under applicable securities laws. In addition, in order to avoid the expense and administrative burden of complying with the reporting obligations under the U.S. Securities Exchange Act, the Revolving Facility Warrant Agreement will restrict the transfer of the Revolving Facility Warrants, without the prior written consent of a majority of the board of directors of Reorganized JRC and only in compliance with the provisions of the Amended Certificate as described in Section [6.7(c)(4)] above.

6.8 ***Acceptance or Rejection of the Plan; Effect of Rejection by One or More Classes of Claims or Equity Interests.***

(a) Class Acceptance Requirement.

A Class of Claims shall have accepted the Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan.

(b) Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code or "Cramdown".

Because certain Classes are deemed to have rejected the Plan, the Debtors will request confirmation of the Plan, as it may be modified from time to time, under section 1129(b)

of the Bankruptcy Code. The Debtors reserve the right (with the consent of the Consenting Lenders) to alter, amend, modify, revoke or withdraw the Plan or any Plan Document in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

(c) Elimination of Vacant Classes.

Any Class of Claims or Interests that does not have a holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

(d) Voting Classes.

If a Class contains Claims or Interests eligible to vote and no holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the holders of such Claims or Interests in such Class.

(e) Confirmation of All Cases.

Except as otherwise specified in the Plan, the Plan shall not be deemed to have been confirmed unless and until the Plan has been confirmed as to each of the Debtors; provided, however, that the Debtors, in their sole discretion and with the consent of the Consenting Lenders, may at any time waive Section [6.5] of the Plan.

6.9 ***Means for Implementation.***

(a) Payment of Trade Unsecured Claims in Lieu of Certain Distributions to the Lenders.

On or before the Effective Date, the Administrative Agent will establish, for the benefit of the holders of the Allowed Trade Unsecured Claims, the Trade Account, which will be funded, on the Effective Date by a portion of the Cash component of the Plan Distribution payable on account of the Secured Lender Claims. Each holder of an Allowed Trade Unsecured Claim that (a) does not object to the confirmation of the Plan and (b) executes a Trade Unsecured Claim Release shall receive payment from the Trade Account: (i) equal to the full Cash principal amount of its Allowed Claim, on the later of (A) the Effective Date or as soon as practicable thereafter, (B) as soon as practicable after the date a Trade Unsecured Claim becomes an Allowed Claim, and (C) the date such Claim becomes due and payable in the ordinary course of the Debtors' or Reorganized Debtors' business, as applicable; or (ii) on such other terms and conditions as may be agreed between the holder of such Allowed Trade Unsecured Claim, on the one hand, and the Reorganized Debtors and the Administrative Agent, on the other hand (any of the foregoing, a "**Trade Claim Payment**"). All Trade Claim Payments shall be made to the appropriate holders of such Claims, free and clear of all Liens, claims and encumbrances.

(b) Continued Corporate Existence and Vesting of Assets in Reorganized Debtors.

Except as otherwise provided in the Plan, the Debtors shall continue to exist after the Effective Date, as Reorganized Debtors, for the purposes of satisfying their obligations under the Plan and the continuation of their businesses. On or after the Effective Date, each Reorganized Debtor, in its sole and exclusive discretion, may take such action as permitted by applicable law and such Reorganized Debtor's organizational documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, but not limited to, causing (a) a Reorganized Debtor to be merged into another Reorganized Debtor, or its Subsidiary and/or affiliate, (b) a Reorganized Debtor to be dissolved, (c) the legal name of a Reorganized Debtor to be changed, or (d) the closure of a Reorganized Debtor's case on the Effective Date or any time thereafter.

Except as otherwise provided in the Plan (including without limitation, Section 12.7(a) therein), on and after the Effective Date, all property of the Estates of the Debtors, including all claims, rights and causes of action and any property acquired by the Debtors under or in connection with the Plan, shall vest in each respective Reorganized Debtor free and clear of all claims, Liens, charges, other encumbrances and Interests. Subject to Section [7.2(a)] of the Plan, on and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of property and prosecute, compromise or settle any Claims (including any Administrative Expense Claims) and causes of action without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors may pay the charges that they incur on or after the Effective Date for Professional Persons' fees, disbursements, expenses or related support services without application to the Bankruptcy Court.

(c) Cancellation of Existing Securities and Agreements.

Except for the purpose of evidencing a right to distribution under the Plan, or with respect to an Existing Common Stock Interest other than the Existing Common Stock, and except as otherwise set forth herein, on the Effective Date all agreements, instruments, and other documents evidencing any Claim or any Existing Common Stock Interest, other than an Interest in a Subsidiary of JRC, and any rights of any holder in respect thereof, shall be deemed cancelled, discharged and of no force or effect.

(d) Cancellation of Certain Existing Security Interests.

Upon the full payment or other satisfaction of an Allowed Other Secured Claim, or promptly thereafter, the holder of such Allowed Other Secured Claim shall deliver to the Debtors or Reorganized Debtors (as applicable) any termination statements, instruments of satisfactions, or releases of all security interests with respect to its Allowed Other Secured Claim that may be reasonably required in order to terminate any related financing statements, mortgages, mechanic's liens, or *lis pendens*.

(e) Officers and Boards of Directors.

On the Effective Date, the boards of directors of the Reorganized Debtors shall consist of those individuals that will be identified on Exhibit [I1] to the Plan and filed as part of the Plan Supplement. The members of the board of directors of each Debtor prior to the Effective Date, in their capacities as such, shall have no continuing obligations to the Reorganized Debtors on or after the Effective Date. Following the occurrence of the Effective Date, the board of directors of each Reorganized Debtor may be replaced by such individuals as are selected in accordance with the organizational documents of such Reorganized Debtor.

On the Effective Date, the officers of the Reorganized Debtors shall consist of those individuals identified on Exhibit [I2] to the Plan, which will be filed as part of the Plan Supplement. The compensation arrangement for any insider of the Debtors that shall be an officer of a Reorganized Debtor is set forth on Exhibit [I2] to the Plan.

(f) Management Agreements and Management Equity Plan.

On the Effective Date, Reorganized JRC shall execute the Management Agreements, the substantially final forms of which will be annexed to the Plan as Exhibit [J] and filed as part of the Plan Supplement, which forms may be changed with the consent of the Consenting Lenders.

The board of directors of Reorganized JRC shall adopt the Management Equity Plan, on substantially the same terms set forth in Section [11.1] herein.

(g) Corporate Action.

On the Effective Date, the certificate of incorporation and by-laws of each Debtor shall be amended and restated in substantially the forms set forth in the Plan Supplement.

Any action under the Plan to be taken by or required of the Debtors or the Reorganized Debtors, including, without limitation, the adoption or amendment of certificates of incorporation and by-laws or the issuance of securities and instruments, shall be authorized and approved in all respects, without any requirement of further action by any of the Debtors' of the Reorganized Debtors' boards of directors, as applicable.

The Debtors and the Reorganized Debtors shall be authorized to execute, deliver, file, and record such documents (including the Plan Documents), contracts, instruments, releases and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan, without the necessity of any further Court, corporate, board or shareholder approval or action. In addition, the selection of the persons who will serve as the initial directors and officers of the Reorganized Debtors as of the Effective Date shall be deemed to have occurred and be effective on and after the Effective Date without any requirement of further action by the board of directors or stockholders of the applicable Reorganized Debtor.

(h) Authorization, Issuance and Delivery of New Common Stock.

On the Effective Date, Reorganized JRC is authorized to issue or cause to be issued the New Common Stock in accordance with the terms of the Plan and the Amended Certificate, without the need for any further corporate or shareholder action. Certificates of New Common Stock (including Warrant Shares, if any) shall bear a legend restricting the sale, transfer, assignment or other disposal of such shares, which restrictions are more fully set forth in the Amended Certificate.

On the Effective Date, Reorganized JRC shall issue and cause to be delivered the New Common Stock (other than the Warrant Shares, if any) to the Administrative Agent for distribution in accordance with the terms of the Plan, including the Revolving Facility Stock for distribution to each Existing Revolving Lender, if any.

On the Effective Date, each New Revolving Lender may, if authorized by the Consenting Lenders, receive its Pro Rata Share of the Revolving Facility Warrants.

Upon receipt of its Pro Rata Share of the New Common Stock (and Revolving Facility Stock, if applicable) under the Plan, each Lender shall be deemed to have executed, as of the Effective Date, the Registration Rights Agreement. If the New Revolving Lenders receive any Revolving Facility Warrants on the Effective Date, each such New Revolving Lender shall be deemed, as of such date, to have executed the Registration Rights Agreement.

6.10 ***Distributions.***

(a) Distributions.

The Disbursing Agent shall make all Plan Distributions to the appropriate holders of Allowed Claims, free and clear of all Liens, claims and encumbrances; provided, however, that all Plan Consideration distributable to the Lenders on account of the Secured Lender Claims shall be made to the Administrative Agent for further distribution to the Lenders.

(b) No Postpetition Interest on Claims.

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

(c) Date of Distributions.

Unless otherwise provided in the Plan, any distributions and deliveries to be made hereunder shall be made on the Effective Date or as soon thereafter as is practicable, provided that the Reorganized Debtors may utilize periodic distribution dates to the extent appropriate. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on or as soon as reasonably practicable after the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

(d) Distribution Record Date.

As of the close of business on the applicable Distribution Record Date, the various lists of holders of Claims in each of the Classes, as maintained by the Debtors, the Administrative Agent, or their respective agents, shall be deemed closed and there shall be no further changes in the record holders of any of the Claims. The Debtors shall have no obligation to recognize any transfer of Claims occurring after the close of business on the applicable Distribution Record Date. Additionally, with respect to payment of any Cure Amounts or any Cure Disputes in connection with the assumption and/or assignment of the Debtors' executory contracts and leases, the Debtors shall have no obligation to recognize or deal with any party other than the non-Debtor party to the underlying executory contract or lease, even if such non-Debtor party has sold, assigned or otherwise transferred its Claim for a Cure Amount.

(e) Disbursing Agent.

All distributions under the Plan shall be made by the Reorganized Debtors or the Disbursing Agent on and after the Effective Date as provided in the Plan. A Reorganized Debtor acting as Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. If the Disbursing Agent is not one of the Reorganized Debtors, such entity shall obtain a bond or surety for the performance of its duties, and all costs and expenses of procuring any such bond or surety shall be borne by the Debtors or Reorganized Debtors.

(f) Delivery of Distribution.

On or as promptly as possible after the Effective Date, the Disbursing Agent will issue, or cause to be issued, and authenticate, as applicable, the applicable Plan Consideration, and subject to Bankruptcy Rule 9010, except as provided in Section [8.1] of the Plan, make all distributions or payments to any holder of an Allowed Claim at (a) the address of such holder on the books and records of the Debtors or their agents, or (b) at the address in any written notice of address change delivered to the Debtors or the Disbursing Agent, including any addresses included on any filed proofs of Claim. In the event that any distribution to any holder is returned as undeliverable, no distribution or payment to such holder shall be made unless and until the Disbursing Agent has been notified of the then current address of such holder, at which time or as soon as reasonably practicable thereafter such distribution shall be made to such holder without interest, provided, however, such distributions or payments shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of the later of one year from (a) the Effective Date and (b) the date such holder's Claim is Allowed.

(g) Unclaimed Property.

One year from the later of (a) the Effective Date, and (b) the date a Claim is first Allowed, all unclaimed property or interests in property shall revert to the applicable Reorganized Debtor, and the Claim of any other holder to such property or interest in property shall be discharged and forever barred. The Reorganized Debtors and the Disbursing Agent shall have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Debtors' books and records, or proofs of Claim filed against the Debtors.

(h) Satisfaction of Claims.

Unless otherwise provided in the Plan, any distributions and deliveries to be made on account of Allowed Claims under the Plan shall be in complete settlement, satisfaction and discharge of such Allowed Claims.

(i) Manner of Payment Under Plan.

Except as specifically provided in the Plan, at the option of the Debtors or Reorganized Debtors (as applicable), any Cash payment to be made under the Plan may be made by a check or wire transfer or as otherwise required or provided in applicable agreements or customary practices of the Debtors.

(j) Fractional Shares.

No fractional shares of New Common Stock shall be distributed. When any distribution would otherwise result in the issuance of a number of shares of New Common Stock that is not a whole number, the shares of the New Common Stock subject to such distribution will be rounded to the next higher or lower whole number as follows: (a) fractions equal to or greater than ½ will be rounded to the next higher whole number; and (b) fractions less than ½ will be rounded to the next lower whole number. The total number of shares of New Common Stock to be distributed on account of Allowed Claims will be adjusted as necessary to account for the rounding provided for in the Plan. No consideration will be provided in lieu of fractional shares that are rounded down. Neither the Reorganized Debtors nor the Disbursing Agent shall have any obligation to make a distribution that is less than one (1) share of New Common Stock. Fractional shares of New Common Stock that are not distributed in accordance with Section [8.10] of the Plan shall be returned to the Reorganized JRC and cancelled.

(k) No Distribution in Excess of Amount of Allowed Claim.

Notwithstanding anything to the contrary in the Plan, no holder of an Allowed Claim shall, on account of such Allowed Claim, receive a Plan Distribution (of a value set forth in the Plan) in excess of the Allowed amount of such Claim plus postpetition interest on such Claim, to the extent provided in Section [8.2] of the Plan.

(l) Exemption from Securities Laws.

The issuance of the New Common Stock (excluding any Warrant Shares) pursuant to the Plan shall be exempt from registration pursuant to section 1145 of the Bankruptcy Code to the maximum extent permitted thereunder, and subject to the transfer restrictions contained in the Amended Certificate, such New Common Stock (other than Warrant Shares, if any) may be resold by the holders thereof without restriction, except to the extent that any such holder is deemed to be an "underwriter" as defined in section 1145(b)(1) of the Bankruptcy Code. The availability of the exemption under section 1145 of the Bankruptcy Code or any other applicable U.S. federal securities laws shall not be a condition to occurrence of the Effective Date of the Plan.

The initial offer and sale of the Revolving Facility Warrants, if any, to the New Revolving Lenders pursuant to the Plan (and the issuance of the Warrant Shares upon exercise of such Revolving Facility Warrants) will be exempt from the registration requirements of Section 5 of the Securities Act, by virtue of the "private placement exemption" provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder. Such Revolving Facility Warrants and the Warrant Shares will constitute "restricted securities" and thus may only be resold pursuant to a registration statement declared effective under Section 5 of the Securities Act, or pursuant to an exemption from such registration requirement.

(m) Setoffs and Recoupments.

Each Reorganized Debtor, or such entity's designee as instructed by such Reorganized Debtor, may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off and/or recoup against any Allowed Claim (other than an Allowed Claim held by a Lender), and the distributions to be made pursuant to the Plan on account of such Allowed Claim (other than an Allowed Claim held by a Lender), any and all claims, rights and Causes of Action that a Reorganized Debtor or its successors may hold against the holder of such Allowed Claim after the Effective Date; provided, however, that neither the failure to effect a setoff or recoupment nor the allowance of any Claim hereunder will constitute a waiver or release by a Reorganized Debtor or its successor of any and all claims, rights and Causes of Action that a Reorganized Debtor or its successor may possess against such holder.

(n) Rights and Powers of Disbursing Agent.

(1) Powers of the Disbursing Agent.

The Disbursing Agent shall be empowered to (i) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan, (ii) make all distributions contemplated thereby, (iii) employ professionals to represent it with respect to its responsibilities, and (iv) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court (including any order issued after the Effective Date), pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions thereof.

(2) Expenses Incurred On or After the Effective Date.

Except as otherwise ordered by the Bankruptcy Court, and subject to the written agreement of the Reorganized Debtors, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including, without limitation, taxes) and any reasonable compensation and expense reimbursement claims (including, without limitation, reasonable attorney and other professional fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors.

(o) Withholding and Reporting Requirements.

In connection with the Plan and all distributions thereunder, the Reorganized Debtors shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Plan Distributions thereunder shall be subject to

any such withholding and reporting requirements. The Reorganized Debtors shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of any Plan Distribution to generate sufficient funds to pay applicable withholding taxes or establishing any other mechanisms the Debtors, Reorganized Debtors or the Disbursing Agent believe are reasonable and appropriate, including requiring a holder of a Claim to submit appropriate tax and withholding certifications. Notwithstanding any other provision of the Plan, (a) each holder of an Allowed Claim that is to receive a distribution under the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations on account of such distribution, and (b) no Plan Distributions shall be required to be made to or on behalf of such holder pursuant to the Plan unless and until such holder has made arrangements satisfactory to the Reorganized Debtors for the payment and satisfaction of such tax obligations or has, to the Reorganized Debtors' satisfaction, established an exemption therefrom.

(p) Hart-Scott Rodino Antitrust Improvements Act.

Any New Common Stock to be distributed under the Plan to an entity required to file a Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall not be distributed until the notification and waiting periods applicable under such Act to such entity shall have expired or been terminated. In the event any applicable notification and waiting periods do not expire without objection, the Debtors or their agent shall, in their sole discretion, be entitled to sell such entity's shares of New Common Stock that were to be distributed under the Plan to such entity, and thereafter shall distribute the proceeds of the sale to such entity.

6.11 ***Procedures for Resolving Claims.***

(a) Objections to Claims.

Other than with respect to Administrative Expense Claims, only Reorganized Debtors shall be entitled to object to Claims after the Effective Date. Any objections to those Claims (other than Administrative Expense Claims) that have been filed on or before the Confirmation Date, shall be served and filed on or before the later of: (a) thirty (30) days after the Effective Date; or (b) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (a) hereof. Any Claims filed after the Bar Date or Administrative Bar Date, as applicable, shall be deemed disallowed and expunged in their entirety without further order of the Bankruptcy Court or any action being required on the part of the Debtors or the Reorganized Debtors, unless the Person or entity wishing to file such untimely Claim has received prior Bankruptcy Court authority to do so. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the claimant if the objecting party effects service in any of the following manners: (a) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (b) by first class mail, postage prepaid, on the signatory on the proof of claim as well as all other representatives identified in the proof of claim or any attachment thereto; or (c) by first class mail, postage prepaid, on any counsel that has appeared on the claimant's behalf in the Reorganization Cases (so long as such appearance has not been subsequently withdrawn). From

and after the Effective Date, the Reorganized Debtors may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.

(b) Disputed Claims.

(1) No Distributions Pending Allowance.

Except as provided in Section [9.2] of the Plan, Disputed Claims shall not be entitled to any Plan Distributions, unless and until such Claims become Allowed Claims.

(2) Plan Distributions to Holders of Subsequently Allowed Claims.

On each Quarterly Distribution Date (or such earlier date as determined by the Reorganized Debtors or the Disbursing Agent in their sole discretion but subject to Section [9.2] of the Plan), the Disbursing Agent will make distributions or payments (i) on account of any Disputed Claim that has become an Allowed Claim during the preceding calendar quarter, and (ii) on account of previously Allowed Claims of property that would have been distributed or paid to the holders of such Claims on the dates distributions previously were made to holders of Allowed Claims in such Class had the Disputed Claims that have become Allowed Claims been Allowed on such dates. The Disbursing Agent shall distribute in respect of such newly Allowed Claims the Plan Consideration as to which such Claims would have been entitled under the Plan if such newly Allowed Claims were fully or partially Allowed, as the case may be, on the Effective Date, less direct and actual expenses, fees, or other direct costs of maintaining Plan Consideration on account of such Disputed Claims.

(3) Distribution of Reserved Plan Consideration Upon Disallowance.

To the extent any Disputed Claim has become Disallowed in full or in part (in accordance with the procedures set forth in the Plan), any Plan Consideration held by the Reorganized Debtors on account of, or to pay, such Disputed Claim shall become the sole and exclusive property of the Reorganized Debtors.

(c) Estimation of Claims.

Any Debtor, Reorganized Debtor or holder of a Claim may request that the Bankruptcy Court estimate any Claim pursuant to section 502(c) of the Bankruptcy Code for purposes of determining the Allowed amount of such Claim regardless of whether any Person has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim for purposes of determining the allowed amount of such Claim at any time. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim for allowance purposes, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, any Objecting Party may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another.

(d) Expenses Incurred On or After the Effective Date.

Except as otherwise ordered by the Bankruptcy Court, and subject to the written agreement of the Reorganized Debtors, the amount of any reasonable fees and expenses incurred by any Professional Person or the Claims Agent in connection with implementation of the Plan, including without limitation, reconciliation of, objection to, and settlement of Claims, shall be paid in Cash by the Reorganized Debtors.

6.12 ***Executory Contracts and Unexpired Leases.***

(a) General Treatment.

As of and subject to the occurrence of the Effective Date and the payment of the applicable Cure Amount, all executory contracts and unexpired leases to which any Debtor is a party shall be deemed assumed, except for any executory contracts or unexpired leases that: (a) previously have been assumed or rejected pursuant to a Final Order of the Bankruptcy Court; (b) are designated specifically or by category as a contract or lease to be rejected on the Schedule of Rejected Contracts and Leases, if any; or (c) are the subject of a separate motion to assume or reject under section 365 of the Bankruptcy Code pending on the Effective Date. As of and subject to the occurrence of the Effective Date, all contracts identified on the Schedule of Rejected Contracts and Leases shall be deemed rejected. Subject to the occurrence of the Effective Date, entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions and rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Each executory contract and unexpired lease assumed pursuant to Section [10.1] of the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Plan, or any order of the Bankruptcy Court authorizing and providing for its assumption or applicable federal law.

(b) Claims Based on Rejection of Executory Contracts or Unexpired Leases.

All Claims arising from the rejection of executory contracts or unexpired leases, if any, will be treated as Other Unsecured Claims. Pursuant to Section [5.4] of the Plan, all such Claims shall be discharged on the Effective Date, and shall not be enforceable against the Debtors, the Reorganized Debtors, or their respective properties or interests in property.

(c) Cure of Defaults for Assumed Executory Contracts and Unexpired Leases.

Except to the extent that less favorable treatment has been agreed to by the non-Debtor party or parties to each such executory contract or unexpired lease, any monetary defaults arising under each executory contract and unexpired lease to be assumed pursuant to the Plan shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the appropriate amount (the "**Cure Amount**") in Cash on the later of thirty (30) days after (i) the Effective Date or (ii) the date on which the Cure Amount has been resolved (either consensually or through judicial decision).

No later than five (5) days prior to the commencement of the Confirmation Hearing, the Debtors shall file a schedule (the "**Cure Schedule**") setting forth the Cure Amount, if any, for each executory contract or unexpired lease to be assumed pursuant to Section [10.1] of the Plan. Any party that fails to object to the applicable Cure Amount listed on the Cure Schedule within twenty (20) days of the filing thereof, shall be forever barred, estopped and enjoined from disputing the Cure Amount set forth on the Cure Schedule (including a Cure Amount of $0.00) and/or from asserting any Claim against the applicable Debtor arising under section 365(b)(1) of the Bankruptcy Code except as set forth on the Cure Schedule.

In the event of a dispute (each, a "**Cure Dispute**") regarding: (i) the Cure Amount; (ii) the ability of the applicable Reorganized Debtor to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed; or (iii) any other matter pertaining to the proposed assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving such Cure Dispute and approving the assumption. To the extent a Cure Dispute relates solely to the Cure Amount, the applicable Debtor may assume and/or assume and assign the applicable contract or lease prior to the resolution of the Cure Dispute provided that such Debtor reserves Cash in an amount sufficient to pay the full amount asserted as cure payment by the non-Debtor party to such contract or lease (or such smaller amount as may be fixed or estimated by the Bankruptcy Court).

6.13 ***Indemnification of Directors, Officers and Employees.***

For purposes of the Plan, the obligation of a Debtor to exculpate, indemnify and advance any expenses to any Person or entity serving at any time on or after the Commencement Date as one of its directors or officers (statutory or otherwise) (each, an "**Indemnitee**") by reason of such Person's or entity's service in such capacity, or as a director or officer (statutory or otherwise) of any other corporation or legal entity, for acts or omissions occurring at or prior to the consummation of the Plan, whether asserted or claimed prior to, at or after the consummation of the Plan, to the extent provided in such Debtor's constituent documents, a written agreement with the Debtor, in accordance with any applicable law, or any combination of the foregoing (collectively, the "**Indemnification Agreements**"), shall: (a) survive confirmation of the Plan and the Effective Date, continue in full force and effect (and not be modified, amended or terminated in any manner adverse to any Indemnitee without the written consent of the affected Indemnitee) for a period of not less than six years following the Effective Date; (b) become an obligation of the Reorganized Debtors; and (c) not be discharged in accordance with section 1141 of the Bankruptcy Code, irrespective of whether indemnification or reimbursement is owed in connection with an event occurring before, on, or after the Commencement Date. Notwithstanding anything to the contrary herein, the Indemnification Agreements shall not be subject to the requirements of Section [10.3], and failure to include the Indemnification Agreements on any schedule of executory contracts to be assumed by the Reorganized Debtors shall not affect the rights of Indemnitees provided by this Section [10.4].

6.14 ***Conditions Precedent to Confirmation and Consummation of the Plan.***

(a) Conditions Precedent to Confirmation.

Confirmation of the Plan is subject to:

1. this Disclosure Statement having been approved by the Bankruptcy Court as having adequate information in accordance with section 1125 of the Bankruptcy Code;

2. entry of the Confirmation Order in form and substance reasonably satisfactory to the Debtors and the Consenting Lenders;

3. the Plan Documents having been filed in substantially final form prior to the Confirmation Hearing;

4. JRC (or the Debtors) having obtained a commitment for the Revolving Credit Facility of at least $25 million on the Effective Date, the terms and conditions of which facility shall support the Debtors' demonstration that the Plan is feasible, and that Reorganized JRC will have the ability to satisfy its obligations to pay current interest and principal under the New Credit Agreements;

5. no Material Adverse Change having occurred; and

6. the Plan Support Agreement remaining in full force and effect, and not having been terminated.

(b) Conditions Precedent to the Effective Date.

The occurrence of the Effective Date is subject to:

1. the Confirmation Order, in form and substance satisfactory to the Debtors and the Consenting Lenders having become a Final Order;

2. the Plan Documents in form and substance satisfactory to the Consenting Lenders being executed and delivered, and any conditions (other than the occurrence of the Effective Date or certification by the Debtors that the Effective Date has occurred) contained therein having been satisfied or waived in accordance therewith;

3. no Material Adverse Change having occurred from the date of entry of the Confirmation Order;

4. all material governmental, regulatory and third party approvals, waivers and/or consents in connection with the Plan, if any, having been obtained and remaining in full force and effect, and there existing no claim, action, suit, investigation, litigation or proceeding, pending or threatened in any court or before any arbitrator or governmental instrumentality, which would prohibit the consummation of the Plan;

5. (a) the Revolving Facility Agreement having been consummated, and being in full force and effect, and (b) the extension of credit under the Revolving Credit Facility being available upon (and subject to) the Effective Date;

6. the Debtors having cash on hand as of the Effective Date of at least $ [___] million; and

7. the Plan Support Agreement remaining in full force and effect, and not having been terminated.

(c) Waiver of Conditions Precedent and Bankruptcy Rule 3020(e) Automatic Stay.

The Debtors and the Administrative Agent, on behalf of the Consenting Lenders, shall have the right to jointly waive one or more of the conditions precedent set forth in Sections [11.1 (b), (c) and (e)] of the Plan, and the Consenting Lenders shall have the sole right to waive the condition precedent set forth in Section [11.1 (f)] of the Plan at any time without leave of or notice to the Bankruptcy Court and without formal action other than proceeding with confirmation of the Plan.

The Debtors and the Administrative Agent, on behalf of the Consenting Lenders, shall have the right to jointly waive one or more of the conditions precedent set forth in Sections [11.2 (a), (b), (c) and (d)] of the Plan, and the Consenting Lenders shall have the sole right to waive the condition precedent set forth in Section [11.2 (f) and (g)] of the Plan at any time without leave of or notice to the Bankruptcy Court and without any formal action other than proceeding with consummation of the Plan. Further, the stay of the Confirmation Order, pursuant to Bankruptcy Rule 3020(e), shall be deemed waived by the Confirmation Order.

If any condition precedent to the Effective Date is waived pursuant to Section [11.3] of the Plan and the Effective Date occurs, the waiver of such condition shall benefit from the "mootness doctrine", and the act of consummation of the Plan shall foreclose any ability to challenge the Plan in any court.

(d) Effect of Failure of Conditions.

If all of the conditions to effectiveness and the occurrence of the Effective Date have not been satisfied or duly waived on or before the first Business Day that is more than 60 days after the Confirmation Date, or by such later date as set forth by the Debtors in a notice filed (with the consent of the Consenting Lenders) with the Bankruptcy Court prior to the expiration of such period, then the Debtors may file a motion to vacate the Confirmation Order before all of the conditions have been satisfied or duly waived; provided, however, that the Debtors must obtain the prior consent of the Consenting Lenders (which consent shall not be unreasonably withheld or delayed) to file such motion to vacate the Confirmation Order. It is further provided that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if all of the conditions to consummation set forth in Section [11.2] of the Plan are either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to Section [11.4] of the Plan, the Plan shall be null and void in all respects, and nothing contained in the Plan or the Plan

Support Agreement shall: (a) constitute a waiver or release of any Claims against or Interests in the Debtors; (b) prejudice in any manner the rights of the holder of any Claim against or Interest in the Debtors; or (c) constitute an admission, acknowledgment, offer or undertaking by any Debtor, the Consenting Lenders, or any other entity with respect to any matter set forth in the Plan.

6.15 ***Effect of Confirmation.***

(a) Binding Effect.

The Plan shall be binding and inure to the benefit of the Debtors, all holders of Claims and Interests, and their respective successors and assigns.

(b) Vesting of Assets.

On the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, and except as otherwise provided in the Plan, the property of each Estate shall vest in the applicable Reorganized Debtor, free and clear of all Claims, liens, encumbrances, charges, and other interests, except as provided in the Plan or in the Confirmation Order. The Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending case under any chapter or provision of the Bankruptcy Code, except as provided in the Plan.

(c) Discharge of Claims Against and Interests in the Debtors.

Upon the Effective Date and in consideration of the distributions to be made hereunder, except as otherwise provided in the Plan or in the Confirmation Order, each Person that is a holder (as well as any trustees and agents on behalf of such Person) of a Claim or Interest and any affiliate of such holder shall be deemed to have forever waived, released, and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Except as otherwise provided in the Plan, upon the Effective Date, all such holders of Claims and Interests and their affiliates shall be forever precluded and enjoined, pursuant to sections 105, 524, 1141 of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or terminated Interest in any Debtor.

(d) Term of Pre-Confirmation Injunctions or Stays.

Unless otherwise provided in the Plan, all injunctions or stays arising prior to the Confirmation Date in accordance with sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

(e) Injunction Against Interference With Plan.

Upon the entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former affiliates, employees,

agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

(f) Injunction.

Except as otherwise provided in the Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have held, hold or may hold Claims against or Interests in the Debtors or the Estates are, with respect to any such Claims or Interests, permanently enjoined after the Confirmation Date from: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the Debtors, the Reorganized Debtors, the Estates or any of their property, the Consenting Lenders (solely in their capacity as such), or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the Debtors, the Reorganized Debtors, or the Estates or any of their property, the Consenting Lenders (solely in their capacity as such), or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtors, the Reorganized Debtors, or the Estates or any of their property, the Consenting Lenders or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that nothing contained herein shall preclude such persons from exercising their rights, or obtaining benefits, pursuant to and consistent with the terms of the Plan.

6.16 *Releases.*

(a) Releases by the Debtors.

Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, each Debtor, in its individual capacity and as a debtor in possession, shall be deemed to forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (other than the rights of the Debtors to enforce the Plan and the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder) whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the parties released pursuant to Section [*12.7(a)*] *of the Plan, the Reorganization Cases, the Plan or this Disclosure Statement, and that could have been asserted by or on behalf of the Debtors or their Estates, whether directly, indirectly, derivatively or in any*

representative or any other capacity, against any Debtor-Released Party;[4] *provided, however, that: (i) that the releases set forth in Section* [*12.7(a)*] *of the Plan shall not release any Debtor's claims, rights, or causes of action for money borrowed from or owed to a Debtor or its Subsidiary by any of its directors, officers or former employees as set forth in such Debtors' or Subsidiary's books and records; (ii) that the releases set forth in Section [12.7(a]) of the Plan shall not release any Claims against any Person to the extent such Person asserts a crossclaim, counterclaim and/or Claim for setoff which seeks affirmative relief against a Debtor or any of its officers, directors, or representatives, except with respect to indemnification and reimbursement obligations set forth in Section [10.4] of the Plan; and (iii) in no event shall anything in Section* [*12.7(a)*] *of the Plan be construed as a release of any Person's fraud, gross negligence or willful misconduct for matters with respect to the Debtors and their Subsidiaries and/or affiliates.*

(b) Releases by Holders of Claims and Interests.

*Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, each Releasing Party, in consideration for the obligations of the Debtors and the other Released Parties under the Plan, the Plan Distributions, the New Common Stock and other contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan, will be deemed to have consented to the Plan for all purposes and the restructuring embodied in the Plan and deemed to forever release, waive and discharge all claims, demands, debts, rights, causes of action or liabilities (other than the right to enforce the obligations of any party under the Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with the Plan), including, without limitation, any claims for any such loss such holder may suffer, have suffered or be alleged to suffer as a result of the Debtors commencing the Reorganization Cases or as a result of the Plan being consummated, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, the Reorganization Cases, the Plan or this Disclosure Statement against any Released Party (the "**Third Party Release**").*

Entry of the Confirmation Order will constitute the Bankruptcy Court's approval pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 of the Third Party Release, which includes by reference each of the related provisions and definitions contained in

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[4] The Debtor-Released Parties are: (a) the Debtors' directors, officers, employees, agents, members, advisors and professionals (including any attorneys, financial advisors, investment bankers, and other professionals retained by such persons), each solely in their capacity as such, and only if such Persons occupied any such positions at any time on or after the Commencement Date; (b) the Administrative Agent and its current and former officers, partners, directors, employees, agents, members, shareholders, advisors and professionals (including any attorneys, financial advisors, and other professionals retained by such persons), each solely in their capacity as such; and (c) each Lender and its current and former officers, partners, directors, employees, agents, members, shareholders, advisors and professionals (including any attorneys, financial advisors, investment bankers and other professionals retained by such persons), each solely in their capacity as such, but only if such Lender is a Releasing Party.

the Plan, and further, will constitute the Bankruptcy Court's finding that such release is (i) in exchange for the good and valuable consideration provided by the Debtors and the other Released Parties, representing good faith settlement and compromise of the claims released in the Plan; (ii) in the best interests of the Debtors and all holders of Claims; (iii) fair, equitable, and reasonable; (iv) approved after due notice and opportunity for hearing; and (v) a bar to any of the Releasing Parties asserting any claim released by the Releasing Parties against any of the Debtors and the other Released Parties or their respective property.

Notwithstanding anything to the contrary contained in the Plan, except to the extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, the releases provided for in Section [12.7] of the Plan shall not release any non-Debtor entity from any liability arising under (i) the Internal Revenue Code or any state, city or municipal tax code, (ii) ERISA, (iii) any criminal laws of the United States or any state, city or municipality, and (iv) federal securities laws of the United States.

The Debtors believe that the releases by each of the Debtors and the holders of Claims [and Interests] of each of the Released Parties as described in Sections [12.7(a) and 12.7(b)] of the Plan (the "**Releases**"), are extremely important to the success of the Plan. The Debtors have received substantial contributions to the Plan from each of the Released Parties. The Released Parties have played a critical role in the formulation of the Plan and have expended an immense amount of time and resources analyzing and negotiating the issues presented by the Debtors' capital structure. The Plan reflects the settlement and resolution of several complex issues. The Releases are an integral part of the consideration to be received in connection with the compromises and resolutions embodied in the Plan and the Debtors have received substantial consideration in exchange for the Releases. Without the Releases, the Debtors would not be able to complete a successful reorganization of their Estates.

As evidenced by the Plan Support Agreement, many of the Released Parties have expended considerable time, energy and expense in the process of negotiating the myriad issues underlying these cases — a commitment that resulted in the Plan and the Plan Support Agreement. An important component of the settlements embodied in the Plan is the Consenting Lenders' protection from liability in connection with their pre- and postpetition involvement in these cases. Without such protection, the Plan Support Agreement would never have been executed, making it impossible for the Debtors' prompt emergence from chapter 11.

Many of the Released Parties have made significant non-monetary contributions to the Plan and the Plan process, a fact that supports the Debtors' decision to grant third-party releases. Absent the tireless efforts of the Administrative Agent and the Consenting Lenders who came together to work out the terms of a Plan, aimed at resolving these cases, the Debtors would likely remain mired in complex and contentious litigation for years to come and in an unfeasibly levered state, that could potentially materially delay and reduce distributions to creditors. Moreover, pursuant to certain third-party arrangements, the [Consenting] Lenders are contributing value to which they would otherwise be entitled to the holders of Allowed Trade Unsecured Claims that do not object to confirmation of the Plan. [Further, certain of the Lenders are providing exit financing to the Reorganized Debtors in the form of the Revolving Credit Facility.] The willingness of these creditors to take such risks is a substantial contribution to the Plan and to these cases; absent such willingness, the Plan would not have been possible, and the

Debtors' may have been unable to reorganize. The substantial and extensive contributions by the Released Parties — both monetary and non-monetary — further justify the non-Debtor releases set forth in the Plan.

Additionally, an identity of interest exists between the Debtors and certain non-Debtor Released Parties, such that the non-Debtor releases are appropriate in that they effectively eliminate additional unknown claims against the Estates. The Debtors' directors and officers are parties to and beneficiaries of certain indemnification provisions in the Debtors' organizational documents, whereby the Debtors are obligated to indemnify them. Under these provisions, any claim asserted against a Released Party who the Debtors are obligated to indemnify would essentially be a claim against the Debtors. Any such claim, even if ultimately unsuccessful, would further deplete finite estate resources. The Debtors are not aware of any claims against a Released Party.

(c) Exculpation and Limitation of Liability.

None of the Exculpated Parties shall have or incur any liability to any holder of any Claim or Interest for any act or omission in connection with, or arising out of the Debtors' restructuring, including without limitation the negotiation and execution of the Plan, the Reorganization Cases, this Disclosure Statement, the solicitation of votes for and the pursuit of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, including, without limitation, all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto and all prepetition activities leading to the promulgation and confirmation of the Plan except fraud, gross negligence, or willful misconduct as determined by a Final Order of the Bankruptcy Court. The Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

(d) Injunction Related to Releases and Exculpation.

The Confirmation Order shall permanently enjoin the commencement or prosecution by any person or entity, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released pursuant to the Plan, including but not limited to the claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released in Sections [*12.7*] *and* [*12.8*] *of the Plan.*

(e) Retention of Causes of Action/Reservation of Rights.

Subject to Section [12.7] of the Plan, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights, claims or causes of action, rights of setoff, or other legal or equitable defenses (including, for avoidance of doubt, any cause of action to avoid a transfer under sections 303(c), 544, 547, 548, or 553(b) of the Bankruptcy Code, of any similar state law) that the Debtors had immediately prior to the Effective Date on behalf of the Estates or of themselves in accordance with any provision of the Bankruptcy Code or any applicable non-bankruptcy law. The Reorganized Debtors shall have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, or other

legal or equitable defenses as fully as if the Reorganization Cases had not been commenced, and all of the Debtors' legal and/or equitable rights respecting any Claim left unimpaired, as set forth in Section [4.2] of the Plan, may be asserted after the Confirmation Date to the same extent as if the Reorganization Cases had not been commenced. For the avoidance of doubt, nothing in Section [12.10] of the Plan shall modify or affect the obligations of the Reorganized Debtors set forth in Section [10.4] of the Plan.

6.17 ***Retention of Jurisdiction.***

On and after the Effective Date, the Bankruptcy Court shall retain jurisdiction, pursuant to 28 U.S.C. §§ 1334 and 157, over all matters arising in, arising under, or related to the Reorganization Cases for, among other things, the following purposes:

(a) To hear and determine applications for the assumption or rejection of executory contracts or unexpired leases and the Cure Disputes resulting therefrom, including with respect to contracts to be rejected pursuant to section 1113 of the Bankruptcy Code;

(b) To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date;

(c) To ensure that distributions to holders of Allowed Claims or Allowed Interests are accomplished as provided in the Plan;

(d) To consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, including any Administrative Expense Claim or MEP Unsecured Claim;

(e) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(f) To issue and enforce injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any Person with the consummation, implementation, or enforcement of the Plan, the Confirmation Order, or any other order of the Bankruptcy Court;

(g) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, this Disclosure Statement, or any order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

(h) To hear and determine all Fee Claims;

(i) Resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(j) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, any transactions or payments contemplated hereby, or any agreement, instrument, or other document governing or relating to any of the foregoing, including the Plan Support Agreement;

(k) To take any action and issue such orders, including any such action or orders as may be necessary after occurrence of the Effective Date and/or consummation of the Plan, as may be necessary to construe, enforce, implement, execute, and consummate the Plan, including any release or injunction provisions set forth in the Plan, or to maintain the integrity of the Plan following consummation;

(l) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

(m) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(n) To hear and determine any other matters related to the Plan and not inconsistent with the Bankruptcy Code and title 28 of the United States Code;

(o) Resolve any disputes concerning whether a Person or entity had sufficient notice of the Reorganization Cases, the Disclosure Statement Hearing, the Confirmation Hearing, any applicable Bar Date, or the deadline for responding or objecting to a Cure Amount, for the purpose of determining whether a Claim or Interest is discharged hereunder, or for any other purpose;

(p) To recover all Assets of the Debtors and property of the Estates, wherever located; and

(q) To enter a final decree closing the Reorganization Cases.

6.18 ***Miscellaneous Provisions.***

(a) Exemption from Certain Transfer Taxes.

To the fullest extent permitted by applicable law, all sale transactions consummated by the Debtors and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including the transfers effectuated under the Plan, the Contemplated Transactions (including dispositions of those Assets listed on Schedule [1.24] to the Plan), the sale by the Debtors of any owned property pursuant to section 363(b) of the Bankruptcy Code, and any assumption, assignment, and/or sale by the Debtors of

their interests in unexpired leases of non-residential real property or executory contracts pursuant to section 365(a) of the Bankruptcy Code, shall constitute a "transfer under a plan" within the purview of section 1146 of the Bankruptcy Code, and shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

(b) Disallowance of Existing Securities Law Claims.

All Existing Securities Law Claims shall be deemed disallowed and expunged in their entirety under and pursuant to the Plan without further order of the Bankruptcy Court or any action being required on the part of the Debtors

(c) Retiree Benefits.

On and after the Effective Date, pursuant to section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue to pay all retiree benefits (within the meaning of, and subject to the limitations of, section 1114 of the Bankruptcy Code), if any, at the level established in accordance with section 1114 of the Bankruptcy Code, at any time prior to the Confirmation Date, for the duration of the period for which the Debtor had obligated itself to provide such benefits. Nothing herein shall: (a) restrict the Debtors' or the Reorganized Debtors' right to modify the terms and conditions of the retiree benefits, if any, as otherwise permitted pursuant to the terms of the applicable plans, non-bankruptcy law, or section 1114(m) of the Bankruptcy Code; or (b) be construed as an admission that any such retiree benefits are owed by the Debtors.

(d) Company Pension Plan.

Upon the Effective Date Reorganized JRC shall: (a) assume the Company Pension Plan and continue to be the contributing sponsor of the plan according to the terms of ERISA, 29 U.S.C. §§ 1301-1461 (2000 & Supp. V 2005); and (b) affirm that the Company Pension Plan is subject to minimum funding requirements of ERISA and section 412 of the Internal Revenue Code. No provision of the Confirmation Order or section 1141 of the Bankruptcy Code shall, or shall be construed to, discharge, release, or relieve the Debtors or any other party, in any capacity, from any government policy, or regulatory provision, as applied to the Company Pension Plan. Neither the Pension Benefit Guaranty Corporation nor the Company Pensions Plan shall be enjoined from enforcing such government policy or regulatory provision as a result of the Plan's provisions for satisfaction, release and discharge of claims; provided, however, that no provision herein or in the Plan shall nullify or void the provisions or the effect of the Bar Date Order, the provisions herein regarding creditors' obligations to file timely an Administrative Expense Claim, or the provisions herein regarding the obligations to object timely proposed Cure Amounts.

(e) Dissolution of Creditors' Committee.

The Creditors' Committee, if any, shall be automatically dissolved on the Effective Date and all members, employees or agents thereof shall be released and discharged from all rights and duties arising from, or related to, the Reorganization Cases.

(f) Termination of Professionals.

On the Effective Date, the engagement of each Professional Person retained by the Debtors and the Creditors' Committee, if any, shall be terminated without further order of the Bankruptcy Court or act of the parties.

(g) Access.

From the Effective Date, the Reorganized Debtors shall cooperate with any Person that served as a director or officer of a Debtor at any time prior to the Effective Date (collectively, the "**Accessing Parties**"), and make available to any Accessing Party, subject to applicable confidentiality and privilege concerns, such documents, books, records or information relating to the Debtors' activities prior to the Effective Date that such Accessing Party may reasonably require in connection with the defense or preparation for the defense of any claim against such Accessing Party relating to any action taken in connection with such Accessing Party's role as a director or officer of a Debtor.

(h) Amendments.

(1) Plan Modifications.

The Plan may be amended, modified, or supplemented by the Debtors, with the consent of the Consenting Lenders, in the manner provided for by section 1127 of the Bankruptcy Code, or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Allowed Claims pursuant to the Plan, the Debtors may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Plan Documents and/or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan.

(2) Other Amendments.

Prior to the Effective Date, the Debtors may make appropriate technical adjustments and modifications to the Plan, with the consent of the Consenting Lenders, without further order or approval of the Bankruptcy Court; provided, however, that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Interests.

(i) Revocation or Withdrawal of the Plan.

The Debtors reserve the right to revoke or withdraw the Plan prior to the Effective Date, provided that the Debtors shall obtain the Consenting Lenders' prior consent for any revocation or withdrawal of the Plan. If the Debtors take such action, the Plan shall be deemed null and void.

(j) Confirmation Order.

The Confirmation Order shall, and is hereby deemed to, ratify all transactions effected by the Debtors during the period commencing on the Commencement Date and ending on the Confirmation Date, except for any acts constituting willful misconduct or fraud.

(k) Allocation of Plan Distributions Between Principal and Interest.

To the extent that any Allowed Claim entitled to a distribution under the Plan consists of indebtedness and other amounts (such as accrued but unpaid interest thereon), such distribution shall be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to such other amounts.

(l) Severability.

If, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court, at the request of the Debtors (with the consent of the Consenting Lenders), shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

(m) Governing Law.

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent a Plan Document provides otherwise, the rights, duties, and obligations arising under the Plan and the Plan Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof.

(n) Section 1125(e) of the Bankruptcy Code.

The Debtors have, and upon confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and the Debtors (and their affiliates, agents, directors, officers, employees, advisors, and attorneys) have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer, issuance, sale, and purchase of the securities offered and sold under the Plan, and therefore are not, and on account of such offer, issuance, sale, solicitation, and/or purchase will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or offer, issuance, sale, or purchase of the securities offered and sold under the Plan.

(o) Time.

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

(p) Notices.

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

Journal Register Company
790 Township Line Road, Suite 300
Yardley, Pennsylvania 19067
Attn: Edward Yocum, Esq.
Telephone: (215) 867-2120
Facsimile: (215) 867-2172

-and-

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019-6099
Attn: Marc Abrams, Esq.
Rachel C. Strickland, Esq.
Shaunna D. Jones, Esq.
Telephone: (212) 728-8000
Facsimile: (212) 728-8111

A notice address for the Reorganized Debtors shall be provided in the notice of the Effective Date to be provided to parties in interest in these cases.

(q) Payment of Statutory Fees.

All fees payable pursuant to section 1930 of title 28 of the United States Code, due and payable through the Effective Date shall be paid by the Debtors on or before the Effective Date and amounts due thereafter shall be paid by the Reorganized Debtors in the ordinary course until the entry of a final decree closing the Reorganization Cases. Any deadline for filing Administrative Expense Claims shall not apply to fees payable pursuant to section 1930 of title 28 of the United States Code.

(r) Reservation of Rights.

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order. None of the filing of the Plan, any

statement or provision contained therein, or the taking of any action by the Debtors with respect to the Plan shall be, or shall be deemed to be, an admission or waiver of any rights of the Debtors with respect to any Claims or Interests prior to the Effective Date.

ARTICLE VII.

CONFIRMATION OF THE PLAN OF REORGANIZATION

7.1 *Confirmation Hearing.*

Section 1128(a) of the Bankruptcy Code requires the bankruptcy court, after appropriate notice, to hold a hearing on confirmation of a plan of reorganization. The Debtors shall request that the Bankruptcy Court establish the date and time of the Confirmation Hearing with respect to the Plan. The hearing may be adjourned or continued from time to time by the Debtors or the Bankruptcy Court without further notice except for an announcement of the adjourned or continued date made at the Confirmation Hearing or any subsequent adjourned or continued Confirmation Hearing.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan of reorganization. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the particular Debtor or Debtors, the basis for the objection and the specific grounds therefor, and must be filed with the Bankruptcy Court, with a copy to chambers, together with proof of service thereof, and served upon: (a) Willkie Farr & Gallagher LLP, counsel for the Debtors, 787 Seventh Avenue, New York, NY 10019, Attn: Marc Abrams, Esq., and Rachel C. Strickland, Esq.; (b) The Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, NY 10004; (c) Milbank Tweed Hadley McCloy, LLP, counsel for the Administrative Agent, One Chase Manhattan Plaza, New York, NY 10005, Attn: Dennis Dunne, Esq. and Dennis O'Donnell, Esq.; and (d) [ ], counsel for the Creditors' Committee, Attn: [ ].

Bankruptcy Rule 9014 governs objections to confirmation of the Plan. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

7.2 *Confirmation.*

At the Confirmation Hearing, the Bankruptcy Court will determine whether the requirements of section 1129(a) of the Bankruptcy Code have been satisfied with respect to the Plan.

(a) Confirmation Requirements.

Confirmation of a plan under section 1129(a) of the Bankruptcy Code requires, among other things, that:

- the plan complies with the applicable provisions of the Bankruptcy Code;

- the proponent of the plan has complied with the applicable provisions of the Bankruptcy Code;

- the plan has been proposed in good faith and not by any means forbidden by law;

- any plan payment made or to be made by the proponent under the plan for services or for costs and expenses in, or in connection with, the chapter 11 case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable;

- the proponent has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in the plan with the debtor, or a successor to the debtor under the plan. The appointment to, or continuance in, such office by such individual must be consistent with the interests of creditors and equity security holders and with public policy and the proponent must have disclosed the identity of any insider that the reorganized debtor will employ or retain, and the nature of any compensation for such insider;

- with respect to each impaired class of claims or interests, either each holder of a claim or interest of such class has accepted the plan, or will receive or retain under the plan, on account of such claim or interest, property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor were liquidated on such date under chapter 7 of the Bankruptcy Code;

- each class of claims or interests has either accepted the plan or is not impaired under the plan;

- except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that allowed administrative expenses and priority claims will be paid in full on the effective date (except that if a class of priority claims has voted to accept the plan, holders of such claims may receive deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amounts of such claims and that holders of priority tax claims may receive on account of such claims deferred cash payments, over a period not exceeding five (5) years after the date of assessment of such claims, of a value, as of the effective date, equal to the allowed amount of such claims);

- if a class of claims is impaired, at least one (1) impaired class of claims has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim in such class; and

- confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan.

Subject to satisfying the standard for any potential "cramdown" of Classes deemed to reject the Plan, the Debtors believe that:

- the Plan satisfies all of the statutory requirements of chapter 11 of the Bankruptcy Code;

- the Debtors have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and

- the Plan has been proposed in good faith.

Set forth below is a summary of the relevant statutory confirmation requirements.

(1) Acceptance.

Class [2] is impaired under the Plan and is entitled to vote to accept or reject the Plan. Classes [1 and 3] are unimpaired and, therefore, are conclusively presumed to have voted to accept the Plan pursuant to section 1126(f) of the Bankruptcy Code. Classes [4, 5 and 6] are impaired and not receiving any property under the Plan, and thus are deemed to have rejected the Plan.

Because certain Classes are deemed to have rejected the Plan, the Debtors will request confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right, with the consent of the Consenting Lenders, to alter, amend, modify, revoke or withdraw the Plan, any exhibit, or schedules thereto or any Plan Document in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary. The Debtors believe that the Plan will satisfy the "cramdown" requirements of section 1129(b) of the Bankruptcy Code with respect to Claims and Interests in Classes [4, 5 and 6].

The Debtors will also seek confirmation of the Plan over the objection of any individual holders of Claims who are members of an accepting Class. However, there can be no assurance that the Bankruptcy Court will determine that the Plan meets the requirements of section 1129(b) of the Bankruptcy Code.

(2) Unfair Discrimination and Fair and Equitable Test.

To obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to each impaired, non-accepting Class. The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable" for, respectively, secured creditors, unsecured creditors and holders of equity interests.

A plan of reorganization does not "discriminate unfairly" with respect to a non-accepting class if the value of the cash and/or securities to be distributed to the non-accepting class is equal to, or otherwise fair when compared to, the value of the distributions to other classes whose legal rights are the same as those of the non-accepting class.

(3) Feasibility; Financial Projections; Valuation.

The Bankruptcy Code permits a plan to be confirmed only if confirmation is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared projections of the financial performance of the Reorganized Debtors for each of the [five] fiscal years from [2009] through [2013] (the "**Financial Projections**"). The Financial Projections, and the assumptions on which they are based, are set forth in the Projected Financial Information contained in Exhibit [6] hereto. Based upon these projections, the Debtors believe that they will be able to make all payments required pursuant to the Plan while conducting ongoing business operations and, therefore, that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

The Financial Projections are based on the assumption that the Plan will be confirmed by the Bankruptcy Court and, for projection purposes, that the Effective Date under the Plan will occur in [June] 2009.

THE PROJECTIONS, INCLUDING THE UNDERLYING ASSUMPTIONS, SHOULD BE CAREFULLY REVIEWED IN EVALUATING THE PLAN. WHILE MANAGEMENT BELIEVES THE ASSUMPTIONS UNDERLYING THE PROJECTIONS, WHEN CONSIDERED ON AN OVERALL BASIS, ARE REASONABLE IN LIGHT OF CURRENT CIRCUMSTANCES AND EXPECTATIONS, NO ASSURANCE CAN BE GIVEN THAT THE PROJECTIONS WILL BE REALIZED. THE DEBTORS MAKE NO REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF THE PROJECTIONS.

The Debtors have prepared these financial projections based upon certain assumptions that they believe to be reasonable under the circumstances. Those assumptions considered to be significant are described in Exhibit [6]. The financial projections have not been examined or compiled by independent accountants. The Debtors make no representation as to the accuracy of the projections or their ability to achieve the projected results. Many of the assumptions on which the projections are based are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their Management, and are subject to significant incremental uncertainty as a result of the scope and potential duration of the current economic recession underway both in the United States and abroad. Inevitably, some assumptions will not materialize and unanticipated events and circumstances may affect the actual financial results. Therefore, the actual results achieved throughout the [five]-year period of the Financial Projections may vary from the projected results and the variations may be material. All holders of Claims that are entitled to vote to accept or reject the Plan are urged to examine carefully all of the assumptions on which the financial projections are based in connection with their evaluation of the Plan.

(b) Valuation of the Reorganized Debtors.

(1) Introduction.

In conjunction with formulating the Plan and meeting the standards of section 1129 of the Bankruptcy Code, the Debtors have determined that it is appropriate to estimate a post-confirmation going concern value for the Reorganized Debtors (the "**Estimated Reorganized Debtors' Enterprise Value**").

THE ESTIMATED REORGANIZED DEBTORS' ENTERPRISE VALUE SET FORTH IN THIS SECTION REPRESENTS A HYPOTHETICAL VALUATION OF THE REORGANIZED DEBTORS, WHICH ASSUMES THAT THE REORGANIZED DEBTORS CONTINUE AS AN OPERATING BUSINESS. THE ESTIMATED REORGANIZED DEBTORS' ENTERPRISE VALUE SET FORTH IN THIS SECTION DOES NOT PURPORT TO CONSTITUTE AN APPRAISAL OR NECESSARILY REFLECT THE ACTUAL MARKET VALUE THAT MIGHT BE REALIZED THROUGH A SALE OR LIQUIDATION OF THE REORGANIZED DEBTORS, THEIR SECURITIES OR THEIR ASSETS, WHICH VALUE MAY BE SIGNIFICANTLY HIGHER OR LOWER THAN THE ESTIMATE SET FORTH IN THIS SECTION. ACCORDINGLY, SUCH ESTIMATED REORGANIZED DEBTORS' ENTERPRISE VALUE IS NOT NECESSARILY INDICATIVE OF THE PRICES AT WHICH THE NEW COMMON STOCK OR OTHER SECURITIES OF REORGANIZED JRC MAY TRADE AFTER GIVING EFFECT TO THE REORGANIZATION SET FORTH IN THE PLAN, WHICH PRICES MAY BE SIGNIFICANTLY HIGHER OR LOWER THAN INDICATED BY SUCH ESTIMATE.

(2) Valuation.

The Debtors estimate the Estimated Reorganized Debtors' enterprise value to be between $[ ] and $[ ] million as of [ ], 2009. The enterprise value is based upon an aggregation of individual identifiable assets providing cash flow, and/or all or potential cash flow streams. The following table summarizes the enterprise value of the individual identifiable assets and the Debtors' basis for each:

[**INSERT VALUATION TABLE**]

The Estimated Reorganized Debtors' Enterprise Value is based upon information made available to, and analyses separately undertaken by, [Lazard] on or before [_____ 2009]. This reorganization enterprise value (ascribed as of the date of this Disclosure Statement) reflects, among other factors discussed below, current financial market conditions and the inherent uncertainty today as to the achievement of the Financial Projections, which are set forth on Exhibit [6] hereto.

The foregoing valuation also reflects a number of assumptions, including a successful reorganization of the Debtors' businesses and finances in a timely manner, achieving the forecasts reflected in the Financial Projections, the amount of available cash, market conditions, the availability of certain tax attributes and the Plan becoming effective in accordance with its terms on a basis consistent with the estimates and other assumptions discussed herein. The estimates of value represent hypothetical enterprise values of the

Reorganized Debtors as the continuing operator of its business and assets, and do not purport to reflect or constitute appraisals, liquidation values or estimates of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan, which may be significantly different than the amounts set forth herein. Such estimates were developed solely for purposes of formulation and negotiation of the Plan and analysis of implied relative recoveries to creditors thereunder.

An estimate of total enterprise value is not entirely mathematical, but, rather, involves complex considerations and judgments concerning various factors that could affect the value of an operating business. Moreover, the value of an operating business is subject to uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial conditions and prospects of such a business. As a result, the estimate of total enterprise value set forth herein is not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. Because such estimates are inherently subject to uncertainties, [neither the Debtors, Lazard], nor any other person assumes responsibility for their accuracy. Depending on the results of the Debtors' operations or changes in the financial markets, the valuation analysis as of the Effective Date may differ from that disclosed herein.

(c) Best Interests Test.

With respect to each impaired Class of Claims and Interests, confirmation of the Plan requires that each holder of a Claim or Interest either (i) accept the Plan or (ii) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. To determine what holders of Claims in each impaired Class would receive if the Debtors were liquidated under chapter 7, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' assets and properties in the context of liquidation under chapter 7 of the Bankruptcy Code. The Cash amount that would be available for satisfaction of Claims and Interests would consist of the proceeds resulting from the disposition of the assets and properties of the Debtors, augmented by the Cash held by the Debtors at the time of the commencement of the liquidation case. Such Cash amount would be (i) first, reduced by the amount of the Allowed Secured Lender Claims, (ii) second, reduced by the costs and expenses of liquidation and such additional administrative claims that might result from the termination of the Debtors' business and the use of chapter 7 for the purposes of liquidation, and (iii) third, reduced by the Debtors' costs of liquidation under chapter 7, including the fees payable to a trustee in bankruptcy, as well as those fees that might be payable to attorneys and other professionals that such a trustee might engage. In addition, claims would arise by reason of the breach or rejection of obligations incurred and leases and executory contracts (including vendor and customer contracts) assumed or entered into by the Debtors prior to the filing of the chapter 7 case. Certain claims that would otherwise be paid over the course of many years would be accelerated, such as termination liability with respect to the Debtors' single employer pension plan and the Debtors' obligations relating to other post-employment benefits.

To determine if the Plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of a liquidation of the Debtors' assets and properties,

after subtracting the amounts attributable to the foregoing claims, must be compared with the value of the property offered to such Classes of Claims under the Plan.

After considering the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Debtors' Reorganization Cases, the Debtors have determined that confirmation of the Plan will provide each holder of an Allowed Claim with a recovery that is not less than such holder would receive pursuant to the liquidation of the Debtors under chapter 7.

Moreover, the Debtors believe that the value of any distributions to each Class of Allowed Claims in a chapter 7 case, including the Allowed Secured Lender Claims, would be less than the value of distributions under the Plan because in a chapter 7 case the Debtors would not have the proceeds of the Revolving Credit Facility to make such distributions to the holders of Allowed Claims and any distribution in a chapter 7 case would not occur for a substantial period of time. It is likely that distribution of the proceeds of the liquidation could be delayed for up to eighteen months after the completion of such liquidation in order to resolve claims and prepare for distributions. In the likely event litigation was necessary to resolve claims asserted in the chapter 7 case, the delay could be prolonged.

Lazard and CDG, with the assistance of the Debtors, prepared a liquidation analysis which is annexed hereto as Exhibit [5] (the "**Liquidation Analysis**"). The information set forth in Exhibit [5] provides (a) a summary of the liquidation values of the Debtors' assets, assuming a chapter 7 liquidation in which a trustee appointed by the Bankruptcy Court would liquidate the assets of the Debtors' estates and (b) the expected recoveries of the Debtors' creditors and equity interest holders under the Plan. [The Liquidation Analysis indicates that holders of Secured Lender Claims and Other Secured Claims would, after payment of liquidation costs and expenses, receive a [ ]% recovery on their Claims in a liquidation scenario.] In contrast, such holders would receive [ ]% under the Plan. As reflected in Exhibit [5], the following Classes of Claims and Interests would have a zero percent (0%) recovery on their Claims in a liquidation scenario: [Administrative Expense Claims, Priority Non-Tax Claims, Existing Common Stock Interests and Existing Securities Laws Claims.] Holders of Existing Common Stock Interests will not receive anything on account of their interests pursuant to the Plan. As reflected in Exhibit [5], the holders of Unsecured Claims would have a [0]% recovery on their Claims in a liquidation, but as a result of a compromise with the Consenting Lenders, holders of Trade Unsecured Claims would receive a [100]% recovery on their Claims under the Plan. Potential holders of Unsecured Claims related to obligations that constitute retiree benefits under section 1114 of the Bankruptcy Code will receive a [100]% recovery on their Claims under the Plan, as the Debtors do not intend to seek relief to modify post-retirement obligations, while they would receive a [ ]% recovery in a liquidation. In addition, holders of Priority Tax Claims would receive a [ ]% recovery on their Claims under the Plan, while they would receive a [ ]% recovery on their Claims in a liquidation scenario.

Underlying the Liquidation Analysis are a number of estimates and assumptions that, although developed and considered reasonable by the Debtors' management, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. The Liquidation Analysis also is based on assumptions with regard to liquidation decisions that are subject to change and significant

economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management. Inevitably, some assumptions will not materialize and unanticipated events and circumstances may affect the results of a liquidation of the Debtors. Accordingly, the values reflected might not be realized if the Debtors were, in fact, to be liquidated. The chapter 7 liquidation period is assumed to last four months following the appointment of a chapter 7 trustee, allowing for, among other things, the discontinuation and wind-down of operations, the sale of the operations, the sale of assets and the collection of receivables. All holders of Claims that are entitled to vote to accept or reject the Plan are urged to examine carefully all of the assumptions on which the Liquidation Analysis is based in connection with their evaluation of the Plan.

7.3 *Classification of Claims and Interests.*

The Debtors believe that the Plan meets the classification requirements of the Bankruptcy Code.

7.4 *Consummation.*

The Plan will be consummated on the Effective Date. The Effective Date will occur on the first Business Day on which the conditions precedent to the effectiveness of the Plan, as set forth in the Plan, have been satisfied or waived pursuant to the Plan. For a more detailed discussion of such conditions precedent and the consequences of the failure to meet such conditions, see Article [VI] herein.

The Plan is to be implemented pursuant to its terms, consistent with the provisions of the Bankruptcy Code.

ARTICLE VIII.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not consummated, the Debtors' capital structure will remain over-leveraged and the Debtors will remain unable to service their debt obligations or to cure the defaults under the Existing Credit Agreement. Accordingly, if the Plan is not confirmed and consummated, the alternatives include:

8.1 *Liquidation Under the Bankruptcy Code.*

The Debtors could be liquidated under chapter 7 of the Bankruptcy Code. A discussion of the effect a chapter 7 liquidation would have on the recoveries of the holders of Claims is set forth in Article [VII] of this Disclosure Statement. The Debtors believe that liquidation would result in lower aggregate distributions being made to creditors than those provided for in the Plan, which is demonstrated by the Liquidation Analysis set forth in Article [VII] and attached as Exhibit [5] of this Disclosure Statement.

Prior to the Commencement Date, the Debtors considered the option of a liquidation under chapter 11 of the Bankruptcy Code. The Debtors, together with their advisers, concluded that there were substantial challenges to a sale of all or substantially all of the

Company's assets pursuant to section 363 of the Bankruptcy Code, and that such approach would not likely increase the value of the recovery by the Debtors' stakeholders. Specifically, the Debtors believe that due to the size of the Lender Claims as compared to the value of the Debtors' assets which secure the Lender Claims, it would be improbable for the Debtors to attract buyers other than the Lenders. Further, the Debtors believe that a purchase of the Debtors' assets by the Lenders would likely be effected through a credit bid and would not bring any Cash into the Estates to provide any value to the Debtors' other stakeholders.

8.2 *Alternative Plan(s) of Reorganization.*

The Debtors believe that failure to confirm the Plan will lead inevitably to expensive and protracted Reorganization Cases. In formulating and developing the Plan, the Debtors have explored numerous other alternatives and engaged in an extensive negotiating process with the Consenting Lenders.

The Debtors believe that not only does the Plan fairly adjust the rights of various Classes of Claims, but also that the Plan provides superior recoveries to [Class [2] and holders of Trade Unsecured Claims] over any alternative capable of rational consideration (such as a chapter 7 liquidation), thus enabling many stakeholders to maximize their returns. Rejection of the Plan in favor of some alternative method of reconciling the Claims and Interests will require, at the very least, an extensive and time consuming process (including the possibility of protracted and costly litigation) and will not result in a better recovery for any Class of Claims or Interests.

THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ANY ALTERNATIVE BECAUSE THE PLAN MAXIMIZES THE AMOUNT OF DISTRIBUTIONS TO ALL HOLDERS OF CLAIMS AND INTERESTS AND ANY ALTERNATIVE TO CONFIRMATION OF THE PLAN WILL RESULT IN SUBSTANTIAL DELAYS IN THE DISTRIBUTION OF ANY RECOVERIES. THEREFORE, THE DEBTORS RECOMMEND THAT ALL HOLDERS OF IMPAIRED CLAIMS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN.

8.3 *Dismissal of the Debtors' Reorganization Cases.*

Dismissal of the Debtors' Reorganization Cases would have the effect of restoring (or attempting to restore) all parties to the *status quo ante*. Upon dismissal of the Debtors' Reorganization Cases, the Debtors would lose the protection of the Bankruptcy Code, thereby requiring, at the very least, an extensive and time consuming process of negotiation with the creditors of the Debtors, and possibly resulting in costly and protracted litigation in various jurisdictions. Most significantly, dismissal of the Debtors' Reorganization Cases may permit acceleration of the obligations under the Existing Credit Agreement. Moreover, holders of Class [2] Claims may be permitted to foreclose upon the assets that are subject to their Liens, which is a substantial portion of the Debtors' assets and almost all of their Cash. Dismissal may also permit certain unpaid unsecured creditors to obtain and enforce judgments against the Debtors. The Debtors believe that these actions would seriously undermine their ability to obtain financing and could lead ultimately to the liquidation of the Debtors under chapter 7 of the

Bankruptcy Code. Therefore, the Debtors believe that dismissal of the Debtors' Reorganization Cases is not a viable alternative to the Plan.

ARTICLE IX.

SUMMARY OF VOTING PROCEDURES

This Disclosure Statement, including all Exhibits hereto and the related materials included herewith, is being furnished to the holders of Claims in Class [2], which is the only Class entitled to vote on the Plan.

All votes to accept or reject the Plan must be cast by using the ballot (the "**Ballot**") enclosed with this Disclosure Statement. No other votes will be counted. Consistent with the provisions of Bankruptcy Rule 3018, the Debtors have fixed [ ], 2009 at 5:00 p.m. (prevailing Eastern Time) as the Voting Record Date. Ballots must be RECEIVED by the Voting Agent no later than 4:00 p.m. (prevailing Eastern Time) on [ ], 2009, unless the Debtors, at any time, in their sole discretion, extend such date by oral or written notice to the Voting Agent, in which event the period during which Ballots will be accepted will terminate at 4:00 p.m. (prevailing Eastern Time) on such extended date.

Ballots previously delivered may be withdrawn or revoked at any time prior to the Voting Deadline by the beneficial owner on the Voting Record Date who completed the original Ballot. Only the person or nominee who submits a Ballot can withdraw or revoke that Ballot. A Ballot may be revoked or withdrawn either by submitting a superseding Ballot or by providing written notice to the Voting Agent.

Acceptances or rejections may be withdrawn or revoked prior to the Voting Deadline by delivering a written notice of withdrawal or revocation to the Voting Agent. To be effective, notice of revocation or withdrawal must: (a) be received on or before the Voting Deadline by the Voting Agent at its address specified on page [5] herein; (b) specify the name of the holder of the Claim whose vote on the Plan is being withdrawn or revoked; (c) contain the description of the Claim as to which a vote on the Plan is withdrawn or revoked; and (d) be signed by the holder of the Claim who executed the Ballot reflecting the vote being withdrawn or revoked, in the same manner as the original signature on the Ballot. The foregoing procedures should also be followed with respect to a person entitled to vote on the Plan who wishes to change (rather than revoke or withdraw) its vote.

ARTICLE X.

DESCRIPTION AND HISTORY OF REORGANIZATION CASES

10.1 *General Case Background.*

On February 21, 2009, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On [February __], 2009, the Bankruptcy Court entered an order (Docket No. [ ]) authorizing the joint administration of the Reorganization Cases, for procedural purposes only, under Case No. 09-[ ]. The Honorable [ ] is presiding over the Reorganization Cases. The Debtors continue to operate their businesses and

manage their properties as debtors and debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no request has been made for the appointment of a trustee or examiner in these cases.

The following is a brief description of certain significant events that have occurred during the pendency of the Reorganization Cases.

10.2 ***Retention of Professionals.***

To assist them in carrying out their duties as debtors in possession, and to otherwise represent their interests in the Reorganization Cases, the Debtors, on the Commencement Date, filed with the Bankruptcy Court applications seeking entry of orders authorizing the Debtors to retain: (a) Willkie Farr & Gallagher LLP as their counsel (Docket No. [ ]); and (b) Seyfarth Shaw LLP as their special labor counsel (Docket No. [ ]).

On the [February], 2009, the Debtors filed with the Bankruptcy Court an application seeking entry of an order, pursuant to 11 U.S.C. § 363, authorizing the Debtors to retain Conway, Del Genio, Gries & Co., LLC to provide restructuring management services to the Debtors and Robert P. Conway as Chief Restructuring Officer of the Debtors (Docket No. [ ]), and an application to retain Lazard as their financial advisors (Docket No. [ ]);

In addition, the Debtors, on the Commencement Date, filed with the Bankruptcy Court an application seeking entry of an order, pursuant to 28 U.S.C. § 156(c), authorizing the Debtors to retain Epiq Bankruptcy Solutions, LLC as the Debtors' claims, noticing and balloting agent (Docket No. [ ]).

On the [February], 2009, the Debtors filed with the Bankruptcy Court a motion seeking authority, pursuant to section 327(e) of the Bankruptcy Code, to employ approximately [ ] professionals, utilized in the ordinary course to assist the Debtors in their day-to-day business operations (Docket No. [ ]).

10.3 ***Employment Obligations.***

(a) Prepetition Employee and Independent Contractor Compensation.

The Debtors believe they have a valuable asset in their workforce, and that the efforts of the Debtors' employees are critical to a successful reorganization. On the Commencement Date, the Debtors filed with the Bankruptcy Court a motion for an order authorizing the Debtors to pay certain prepetition employee wage and benefit obligations (Docket No. [ ]). Additionally, since the Debtors' businesses rely heavily on independent contractors, including newspaper carriers and freelance writers, on the Commencement Date, the Debtors filed with the Bankruptcy Court a motion for an order authorizing the Debtors to pay certain prepetition amounts owed to the independent contractors (Docket No. [ ]).

(b) Management Incentive Plan.

In order to create additional incentives for the Management and the Debtors' key employees to continue to expeditiously implement the Business Plan, the Debtors filed with the

Bankruptcy Court a motion for an order authorizing payment of incentive pay to officers and key employees pursuant to sections 105(a), 363(b)(i) and 503(c)(3) of the Bankruptcy Code (Docket No. [ ]).

10.4 ***Continuing Supplier and Customer Relations.***

The Debtors believe that maintaining good relationships with their vendors, suppliers and customers is necessary to the continuity of the Debtors' business operations during the Reorganization Cases. On the Commencement Date, the Debtors filed with the Bankruptcy Court a motion seeking entry of an order authorizing the Debtors to pay, in the ordinary course of business, prepetition claims of certain priority vendors and certain critical vendors of goods and services (Docket No. [ ]). In addition, on the Commencement Date, the Debtors filed with the Bankruptcy Court a motion seeking entry of an order authorizing the Debtors to continue certain prepetition customer and advertiser programs, and satisfy, in the ordinary course of business, certain prepetition claims arising from such programs (Docket No. [ ]).

10.5 ***Stabilization of Debtors' Business Operations.***

(a) Cash Management.

The Debtors believe it would be disruptive to their operations if they were forced to change significantly their cash management system upon the commencement of the Reorganization Cases. Accordingly, on the Commencement Date, the Debtors filed with the Bankruptcy Court a motion seeking entry of an order authorizing the Debtors to maintain their current cash management system (Docket No. [ ]).

(b) Cash Collateral.

The Debtors cannot meet their ongoing postpetition obligations unless they are authorized to use Cash claimed as part of their collateral by the Lenders. On the Commencement Date, the Debtors filed with the Bankruptcy Court a motion seeking approval of a proposed stipulation and order (a) authorizing the interim use of cash collateral on the terms, and subject to the conditions, set forth therein, and (b) providing adequate protection to the interests of the Lenders (Docket No. [ ]).

(c) 1113 Scheduling.

To complete their operational and financial restructuring and reorganize successfully, the Debtors must obtain modifications to certain of the existing collective bargaining agreements to discontinue contributions to certain of the Multiemployer Pension Plans. On [February], 2009, the Debtors filed with the Bankruptcy Court a motion seeking an order establishing notice procedures, a briefing schedule, and hearing dates regarding any motion the Debtors may file for authorization to reject certain collective bargaining agreements, if negotiations with unions do not result in consensual modifications of such agreements (Docket No. [ ]).

10.6 ***Utilities.***

On the Commencement Date, the Debtors filed with the Bankruptcy Court a motion for interim and final orders: (a) prohibiting utilities from altering or discontinuing services; (b) establishing procedures for establishing reserves for utility payments; (c) deeming utility companies to have adequate assurance of payment; and (d) establishing procedures for resolving requests for additional assurance of payment (Docket No. [ ]).

10.7 ***Schedules, Statements and Bar Date.***

(a) Schedules and Statements.

On [ ], 2009, each Debtor filed with the Bankruptcy Court its Schedules of Assets and Liabilities (collectively, the "**Schedules**") and Statement of Financial Affairs.

(b) Bar Date.

The Debtors filed with the Bankruptcy Court a motion seeking an order establishing the deadlines (each, a "**Bar Date**") for filing proof of certain claims against the Debtors that arose on or prior to the Commencement Date and approving the form and manner of notice of each Bar Date (Docket No. [ ]). In the Motion, the Debtors requested that the Court establish [ ], 2009, as the date by which proofs of claim are required to be filed in the Reorganization Cases for all creditors other than governmental units, and [ ], 2009 as the date by which proofs of claim are required to be filed in the Reorganization Cases for governmental units.

ARTICLE XI.

GOVERNANCE OF REORGANIZED DEBTORS

11.1 ***Board of Directors and Management.***

On the Effective Date, the board of directors of Reorganized JRC (the "**Reorganized Board**") shall have five members, each of which shall be selected by the Consenting Lenders. Successor directors will be appointed and/or elected in accordance with the Amended Certificate and the Amended By-laws of JRC. The members of the boards and initial officers of Reorganized JRC and the other Reorganized Debtors shall be the individuals identified on Exhibit [I1] to the Plan, which will be filed as part of the Plan Supplement. The existing JRC Board shall be deemed to have resigned on and as of the Effective Date.

(a) Post-Effective Date Management Equity Plan.

Pursuant to the Management Equity Plan, up to 10% of the equity of Reorganized JRC shall be reserved for the Reorganized Board to grant options to purchase New Common Stock to members of the Reorganized Board and to the management of the Reorganized Debtors. The Management Equity Plan will contain terms and conditions (including the form of equity grant) as determined by the Reorganized Board.

(b) Post-Effective Date Management Agreements.

On the Effective Date, Reorganized JRC shall execute the Management Agreements, the substantially final forms of which shall be included in the Plan Supplement, which shall be filed at least five (5) Business Days prior to the Confirmation Hearing. The Management Agreements will cover the period commencing on the Effective Date of the Plan, and shall include the reasonable, customary and appropriate severance and other compensation of the management of the Reorganized Debtors.

11.2 ***Indemnification of Directors and Officers.***

The Amended Certificates of Incorporation of the Reorganized Debtors will authorize the Reorganized Debtors to indemnify and exculpate their respective officers, directors or managers and agents to the fullest extent permitted under applicable law.

11.3 ***Registration Rights Agreement.***

Reorganized JRC shall be authorized and directed to enter into and consummate the transactions contemplated by the Registration Rights Agreement (attached as Exhibit [E] to the Plan, which will be filed as part of the Plan Supplement) and such documents, and any agreement or document entered into in connection therewith, shall become effective and binding in accordance with their respective terms and conditions upon the parties thereto, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Person (other than as expressly required by the Registration Rights Agreement).

ARTICLE XII.

CERTAIN RISK FACTORS TO BE CONSIDERED

12.1 ***Certain Bankruptcy Considerations.***

(a) General.

While the Debtors believe that the Reorganization Cases, commenced in order to implement an agreed-upon restructuring, will be of short duration and will not be materially disruptive to their businesses, the Debtors cannot be certain that this will be the case. Although the Plan is designed to minimize the length of the bankruptcy proceeding, it is impossible to predict with certainty the amount of time that the Debtors may spend in bankruptcy or to assure parties-in-interest that the Plan will be confirmed.

Even if the Plan is confirmed on a timely basis, the Reorganization Cases could have an adverse effect on the Debtors' businesses. Among other things, it is possible that bankruptcy proceedings could adversely affect the Debtors' relationships with their key vendors and suppliers, customers and employees. Bankruptcy proceedings also will involve additional expenses and may divert some of the attention of the Debtors' management away from the operation of the businesses.

The extent to which bankruptcy proceedings disrupt the Debtors' businesses will likely be directly related to the length of time it takes to complete the proceedings. If the Debtors are unable to obtain confirmation of the Plan on a timely basis because of a challenge to confirmation of the Plan or a failure to satisfy the conditions to consummation of the Plan, they may be forced to operate in bankruptcy for an extended period while they try to develop a different reorganization plan that can be confirmed. That would increase both the probability and the magnitude of the potentially adverse effects described herein.

(b) Failure to Receive Requisite Acceptances.

Class 2 is the only Class that is entitled to vote to accept or reject the Plan. If the Requisite Acceptances are not received, the Debtors will not be able to seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code, because at least one impaired Class will not have voted in favor of the Plan as required by section 1129(a)(10) of the Bankruptcy Code. Further, if the Requisite Acceptances are not received, the Debtors may seek to accomplish an alternative restructuring of their capitalization and obligations to creditors and obtain acceptances to an alternative plan of reorganization for the Debtors, or otherwise, that may not have the support of the Lenders and/or may be required to liquidate these estates under chapter 7 or 11 of the Bankruptcy Code. There can be no assurance that the terms of any such alternative restructuring arrangement or plan would be similar to or as favorable to the Debtors' creditors as those proposed in the Plan.

(c) Failure to Confirm the Plan.

Even if the Requisite Acceptances are received, the Bankruptcy Court, which, as a court of equity may exercise substantial discretion, may decide not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization of the Debtors, and that the value of distributions to dissenting holders of Claims and Interests may not be less than the value such holders would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. Although the Debtors believe that the Plan meets such test, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

Additionally, the Solicitation must comply with the requirements of section 1125 of the Bankruptcy Code and the applicable Bankruptcy Rules with respect to the length of the solicitation period and the adequacy of the information contained in this Disclosure Statement.

(d) Failure to Consummate the Plan.

One condition to consummation of the Plan is the entry of the Confirmation Order that will approve, among other things, the assumption of a substantial number of the majority of the Debtors' executory contracts and unexpired leases and the execution of the New Credit Agreements and the Revolving Credit Agreement. In addition, in order to consummate the Plan, the Debtors must enter into the Revolving Credit Agreement with one or more Revolving Lenders. There can be no assurance that the Debtors will be able to find lenders that are willing to enter into the Revolving Credit Agreement, in which case the Debtors may be unable to consummate the Plan.

As of the date of this Disclosure Statement, there can be no assurance that these or the other conditions to consummation will be satisfied or waived. Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Plan will be consummated and the restructuring completed.

(e) Objections to Classification of Claims.

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

12.2 ***Risks Relating to the New Credit Agreements and the New Common Stock.***

(a) Variances from Financial Projections.

The Financial Projections included as Exhibit [6] to this Disclosure Statement were developed early in the fourth quarter of 2008, and reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors, as well as assumptions with respect to the prevailing market, economic and competitive conditions, which are beyond the control of the Reorganized Debtors, and which may not materialize, particularly given the current difficult economic environment. The Company's performance deviated from the Financial Projections by approximately [ ]% in the fourth quarter of 2008, and it is too soon to determine whether the Company will meet the Financial Projections for the first quarter of 2009. Despite this, the Debtors believe that the assumptions underlying the Financial Projections are reasonable. However, unanticipated events and circumstances occurring subsequent to the preparation of the Financial Projections may affect the Debtors' and the Reorganized Debtors' ability to initiate the endeavors and meet the financial benchmarks contemplated by the Business Plan. Therefore, the actual results achieved throughout the Projection Period necessarily will vary from the projected results, and these variations may be material and adverse.

(b) Substantial Leverage.

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have substantial indebtedness. On the Effective Date, after giving effect to the transactions contemplated by the Plan, the Reorganized Debtors will, on a consolidated basis, have (i) approximately $175 million in secured indebtedness under the New Tranche A Loan Facility, (ii) approximately $100 million in secured indebtedness under the New Tranche B Loan Facility, (iii) a secured loan outstanding or available under the Revolving Credit Facility in an initial aggregate principal amount of up to $25 million, and (iv) approximately $30 million in projected future funding obligations under the Company Pension Plan.

The degree to which the Reorganized Debtors will be leveraged could have important consequences because:

- it could affect the Reorganized Debtors' ability to satisfy their obligations under the New Credit Agreements, and the Reorganized Debtors' other obligations, including required contributions to the Company Pension Plan;

- a substantial portion of the Reorganized Debtors' cash flow from operations will be dedicated to debt service and unavailable to support operations, working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes;

- the Reorganized Debtors' ability to obtain additional financing in the future may be limited;

- the Reorganized Debtors may be more highly leveraged than some of their competitors, which may place the Reorganized Debtors at a competitive disadvantage;

- the Reorganized Debtors' operational flexibility in planning for, or reacting to, changes in their business may be severely limited; and

- it may make the Reorganized Debtors more vulnerable in the event of further deterioration of their business or the economy in general.

(c) Ability to Service Debt.

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have significant interest expense and principal repayment obligations. The Reorganized Debtors' ability to make payments on and to refinance their debt, including the obligations under the New Credit Agreements, and the Reorganized Debtors' other obligations, will depend on their future financial and operating performance and their ability to generate cash in the future. This, to a certain extent, is subject to general economic, business, financial, competitive, legislative, regulatory and other factors that are beyond the control of the Reorganized Debtors.

There can be no assurance that the Reorganized Debtors will be able to generate sufficient cash flow from operations or that sufficient future borrowings will be available to pay off the Reorganized Debtors' debt obligations, including, among other obligations, the New Credit Agreements. The Reorganized Debtors may need to refinance all or a portion of their debt on or before maturity; however, there can be no assurance that the Reorganized Debtors will be able to refinance any of their debt on commercially reasonable terms or at all.

(d) Obligations Under the New Credit Agreements.

The Reorganized Debtors' obligations under the New Credit Agreements will be secured by substantially all of the assets of the Reorganized Debtors. If the Reorganized Debtors become insolvent or are liquidated, or if there is a default under the New Credit Agreements, and payment on any obligation thereunder is accelerated, the lenders under the New Credit Agreements would be entitled to exercise the remedies available to a secured lender under applicable law, including foreclosure on the collateral that is pledged to secure the indebtedness

thereunder, and they would have a claim on the assets securing the obligations under the New Credit Agreements that would be superior to any claim of the holders of unsecured debt.

(e) Restrictive Covenants.

The New Credit Agreements will contain various covenants that may limit the discretion of the Reorganized Debtors' management by restricting the Reorganized Debtors' ability to, among other things, incur additional indebtedness, incur liens, pay dividends or make certain restricted payments, consummate certain asset sales, enter into certain transactions with affiliates, merge, consolidate and/or sell or dispose of all or substantially all of their assets. In addition, it is expected that the New Credit Agreements will require the Reorganized Debtors to meet certain financial covenants. As a result of these covenants, the Reorganized Debtors will be limited in the manner in which they conduct their business and they may be unable to engage in favorable business activities or finance future operations or capital needs.

Any failure to comply with the restrictions of the New Credit Agreements or any other subsequent financing agreements may result in an event of default. An event of default may allow the creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. If the Reorganized Debtors are unable to repay amounts outstanding under the New Credit Agreements when due, the lenders thereunder could, subject to the terms of the New Credit Agreements, seek to foreclose on the collateral that is pledged to secure the indebtedness outstanding under such facility. Substantially all of the assets of the Reorganized Debtors will be pledged as security under the New Credit Agreements.

The Revolving Credit Agreement will also contain various covenants, such as limitations on indebtedness, liens, mergers, consolidations, liquidations and dissolutions, sales of assets, payment of restricted payments, investments, loans and advances, and transactions with affiliates. Any failure to comply with the restrictive covenants contained in the Revolving Credit Agreement may result in an inability to borrow funds under the Revolving Credit Facility. If the Reorganized Debtors are unable draw funds under the Revolving Credit Facility, they may be unable to meet their ongoing ordinary course operating expenses or service the New Term Loan Facilities.

(f) Lack of Trading Market.

It is anticipated that there will be no active trading market for the New Common Stock or the Revolving Facility Warrants. The New Common Stock and the Revolving Facility Warrants are subject to restrictions on transfer, and Reorganized JRC has no present intention to register any of the securities under the Securities Act, nor to apply to list any of the foregoing on any national securities exchange. Accordingly, there can be no assurance that any market will develop or as to the liquidity of any market that may develop for any such securities. In addition, Reorganized JRC will not be required to file periodic reports with the SEC or otherwise provide financial or other information to the public which may further impair liquidity and prevent brokers or dealers from publishing quotations. Furthermore, the lack of liquidity may adversely affect the price at which New Common Stock and Revolving Facility Warrants may be sold, if at all.

(g) Restrictions on Transfer.

Holders of New Common Stock issued under section 1145 of the Bankruptcy Code who are deemed to be "underwriters" as defined in section 1145(b) of the Bankruptcy Code will be restricted in their ability to transfer or sell their securities. These Persons will be permitted to transfer or sell such securities only pursuant to (a) "ordinary trading transactions" by a holder that is not an "issuer" within the meaning of section 1145(b), (b) an effective registration statement under the Securities Act, or (c) the provisions of Rule 144 under the Securities Act, if available, or another available exemption from the registration requirements of the Securities Act. Furthermore, holders of Revolving Facility Warrants and New Common Stock issued upon the exercise of the Revolving Facility Warrants will also be subject to certain transfer restrictions and, as a result, will only be able to transfer or sell such securities pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from registration under the Securities Act. Reorganized JRC has no current plans to register at a later date, post-emergence, any of its securities under the Securities Act or under equivalent state securities laws such that the recipients of the New Common Stock and Revolving Facility Warrants would be able to resell their securities pursuant to an effective registration statement. Moreover, Reorganized JRC does not currently intend to make publicly available the information required by Rule 144, thereby limiting the ability of holders of New Common Stock and Revolving Facility Warrants to avail themselves of Rule 144.

In addition, the Amended Certificate will contain restrictions on stockholders' ability to transfer the New Common Stock and the Revolving Facility Warrants designed to ensure that there will be less than 500 holders of New Common Stock (determined pursuant to the Exchange Act). The Amended Certificate will require notice to Reorganized JRC of any proposed transfer of New Common Stock or Revolving Facility Warrants to a Third Party (as such term is defined in the Amended Certificate) and will restrict such transfer if Reorganized JRC reasonably determines that the transfer would, if effected, result in Reorganized JRC having 500 or more holders of record (determined pursuant to the Exchange Act).

Certain transfers, including pursuant to a merger, that meet certain requirements are not subject to such a condition on transfer. In addition to the foregoing transfer restrictions, the stockholder that proposes to effect a transfer must submit a written request that includes, among other things, if applicable, reasonably sufficient information to establish that the transfer does not violate or result in registration being required under applicable securities laws or laws relating to investment companies or advisors.

See Article XIII "*Securities Law Matters*" for additional information regarding restrictions on resale of the New Common Stock and Revolving Facility Warrants.

(h) The Valuation of New Common Stock is Not Intended to Represent the Trading Value of the New Common Stock.

The Valuation of the Reorganized Debtors, set forth in Section [7.2(b)] herein prepared by [Lazard] with the assistance of the Debtors and based on the Financial Projections developed by the Debtors, with the assistance of CDG, is based on the assumption that the holders of Allowed Secured Lender Claims will receive substantially all of the issued New

Common Stock in Reorganized JRC in on behalf of their Claims and is not intended to represent the trading values of New Common Stock in public or private markets.

(i) Dividend Policies.

It is expected that all of the Reorganized Debtors' cash flow will be required to be used in the foreseeable future (a) to make payments under the New Credit Agreements, (b) to fund the Reorganized Debtors' other obligations under the Plan, and (c) for working capital and capital expenditure purposes. Accordingly, Reorganized JRC does not anticipate paying dividends on the New Common Stock in the foreseeable future.

12.3 ***Risks Relating to Tax and Accounting Consequences of the Plan.***

(a) Certain Tax Consequences of the Plan Raise Unsettled and Complex Legal Issues and Involve Factual Determinations.

The federal income tax consequences of the Plan are complex and are subject to significant uncertainties. The Debtors currently do not intend to seek any ruling from the IRS on the tax consequences of the Plan. Even if the Debtors decide to request a ruling, there would be no assurance that the IRS would rule favorably or that any ruling would be issued before the Effective Date. In addition, in such case, there would still be issues with significant uncertainties, which would not be the subject of any ruling request. *Thus, there can be no assurance that the IRS will not challenge the various positions the Debtors have taken, or intend to take, with respect to the tax treatment in the Plan, or that a court would not sustain such a challenge.*

(b) Use of Historical Financial Information.

As a result of the consummation of the Plan and the transactions contemplated thereby, the Reorganized Debtors believe they will be subject to the fresh-start accounting rules. Fresh-start accounting allows for the assessment of every balance sheet account for possible fair value adjustment, resulting in the emergence of a new company recapitalized and revalued. This process is guided by purchase price allocation standards under GAAP.

12.4 ***Risks Associated with the Business.***

(a) The Debtors' Reorganization Cases May Negatively Impact the Company's Future Operations.

While the Debtors believe they will be able to emerge from chapter 11 relatively expeditiously, there can be no assurance as to timing for approval of the Plan or the Debtors' emergence from chapter 11. Additionally, notwithstanding the support of the Consenting Lenders, the Reorganization Cases may adversely affect the Company's ability to retain existing customers and suppliers, attract new customers and maintain contracts that are critical to its operations.

(b) Operating Results and Income May Fluctuate.

The Debtors' businesses have generally been subject to certain fluctuations in operating results and incomes. These fluctuations result from, among other things, [variations in advertising revenues; increases in the pricing of raw materials, including newsprint; debt prepayments and interest expense; the amount and timing of pension contributions and related funding obligations; and market acceptance of new products and services, such as the Company's ongoing digital media initiatives.

(c) Advertising Revenue and Circulation.

The Company's advertising revenues and, to a lesser extent, circulation revenues, are dependent on a variety of factors specific to the communities that the Company's publications serve. These factors include, among other things, the size and demographic characteristics of the local population, local economic conditions in general, and the related retail segments and labor markets in particular, as well as local weather conditions. Competition from other media, including other metropolitan, suburban and national newspapers, broadcasters, cable systems and networks, satellite television and radio, websites, magazines, direct marketing and solo and shared mail programs, affects, and may continue to affect, the Company's ability to retain advertising clients and raise rates in the future.

The advertising revenue on which the media industry is reliant is currently being driven by macroeconomic trends, including, but not limited to, the current housing downturn, declining automotive sales, a declining job market, the retail sector slowdown and a shift in advertising dollars to online media. Due to structural changes in the advertising business and the reduced consumer spending in the current market, industry-wide retail advertising performance is expected to be significantly negatively impacted in 2009.

(d) Digital Media.

The Company has placed an emphasis on building its digital/online businesses. Failure to succeed in this undertaking would adversely affect its future business growth and profitability. The Company is seeking to increase its online revenues through a number of digital media initiatives, including developing digital products internally and entering into strategic partnerships with existing online businesses. While the Company has invested in successful Internet ventures such as Yahoo! and Kaango LLC to capture some of the advertising dollars that have migrated online, retaining the Company's historical share of classified advertising revenues remains a challenge and there can be no assurances that the Company's digital media initiatives will be successful or result in significant online revenue growth.

(e) Provision for Income Taxes.

The provision for income taxes in the years ended December 31, 2007, 2006 and 2005 included foreign and state income taxes. In 2005, the Company was able to lower its tax provision by utilizing NOL carryforwards. At December 31, 2007, the Company had federal NOLs for income tax purposes of approximately $[ ] million, expiring in the years [ ] through [ ]. In addition, the Company had federal capital loss carryforwards totaling $[ ] million at

[December 28, 2008], which may be utilized to offset capital gains, if any, generated in future periods.

Cancellation of indebtedness arising from the Reorganization Cases is anticipated to reduce the amount of NOL carryforwards by approximately $[ ] million. A corporation's use of its net operating loss carryforwards is generally limited under IRC section 382 if a corporation undergoes an "ownership change." When an "ownership change" occurs pursuant to a case commenced under chapter 11 of the Bankruptcy Code, the general limitation under section 382 of the IRC may not apply if certain requirements are satisfied under either section 382(l)(5) or section 382(l)(6) of the IRC. The Company will experience an "ownership change" in connection with these Reorganization Cases, but the Company has not yet determined whether it will be eligible for or rely on the special rule under section 382(l)(5) or the special rule under section 382(l)(6) of the IRC. If the Company relies on section 382(l)(5) of the IRC, a second "ownership change" within two years from the Effective Date could eliminate completely the Company's ability to utilize its net operating loss carryovers. Regardless of whether the Company relies on section 382(l)(5) of the IRC, an "ownership change" after the Effective Date could significantly limit the Company's ability to utilize its net operating loss carryforwards for taxable years including or following such "ownership change."

(f) The Company Relies on a Limited Number of Key Suppliers and Vendors to Operate its Business.

The Company purchases certain raw materials, such as newsprint (one of the Company's largest expenses), from a single or a small number of suppliers. The available sources of newsprint and other raw materials have been, and the Company believes will continue to be, adequate to supply the Company's needs. However, the Company does not generally enter into long-term raw materials contracts and, as a result, could be subject to unexpected increases in raw material prices. Accordingly, if the Company experiences problems with these suppliers, the Company could fail to obtain sufficient resources to operate its business successfully.

(g) The Loss of One or More of the Company's Key Personnel Could Disrupt Operations and Adversely Affect Financial Results.

The Company is highly dependent upon the availability and performance of its executive officers and key publishers. Accordingly, the loss of services of any of the Company's executive officers and key publishers could materially adversely affect the Company's business, financial condition and operating results.

(h) The Company is Subject to Environmental Regulation and Could Incur Substantial Costs as a Result of Violations of or Liabilities Under Environmental Laws.

The Company's facilities and business are subject to numerous federal, state and local laws and regulations pertaining to, among other things, the protection of the environment, human health and safety, natural resources, air and water quality, storage tanks, septic systems, and the management and disposal of waste. These laws and regulations may be amended from time to time to impose higher standards and potentially more costly obligations on the Company.

Under these laws and regulations, the Company is subject to broad liability, including liability for investigative and cleanup costs and damages arising out of past disposal activities. A breach of such laws and regulations may result in the imposition of fines or issuance of clean-up orders in respect of the Company or the Company's properties.

To the Company's knowledge, its operations are in material compliance with applicable environmental laws and regulations as currently interpreted. The Company cannot predict with any certainty whether future events, such as changes in existing laws and regulations or the discovery of conditions not currently known to the Company, may give rise to additional costs or a curtailment of production that could be material. Future changes in other environmental laws and regulations could occur and result in stricter standards and enforcement, larger fines and liability, and increased capital expenditures and operating costs, which could have a material adverse effect on the Company's financial condition or results of operations. Further, there can be no assurance that the Company will be able to obtain a discharge of any potential obligations with respect to environmental matters upon the Effective Date or that additional liabilities with respect to environmental matters will not be asserted in the future. In addition, actions by federal, state and local governments concerning environmental matters could result in laws or regulations that could have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

(i) Labor Matters.

Certain of the Company's employees are subject to collective bargaining agreements. If the Company is unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, higher costs in connection with renegotiated collective bargaining agreements, or significant labor disputes could adversely affect the Company's business.

(j) Legal Matters.

The Company is party to routine litigation incidental to its business, including litigation relating to certain cases brought for recovery of worker's compensation. It is not anticipated that any current or pending lawsuit, either individually or in the aggregate, is likely to have a material adverse effect on the Company's financial condition. However, no assurances can be provided that the Company will be able to successfully defend or settle all pending or future purported claims, and the Company's failure to do so may have a material adverse effect on the Reorganized Debtors.

(k) Pension Matters.

As discussed in Section 3.3 herein, the assets of the Company Pension Plan decreased materially during the 2008 plan year, leaving the plan underfunded by approximately $34 million. Contributions required by PPA to make up this shortfall are estimated to range between $5 to 7 million per year from 2010 through 2015. This amount will vary depending upon the valuation method selected and the relative stability of investment returns and interest rates over this time frame. If the Company Pension Plan continues to experience a decline in the value of plan assets, or if interest rates should decline significantly, the required contributions to

the Company Pension Plan would increase accordingly, potentially putting an additional strain on JRC's liquidity.

The financial condition of the Multiemployer Pension Plans to which the Reorganized Debtors anticipate contributing after the Effective Date is dependent upon market conditions, investment performance, interest rates and the financial health of other contributing employers. All of these factors can affect negotiated contribution requirements. Four of the Company's six multiemployer plans have been certified to be in critical status, leaving JRC exposed to substantially higher contributions and eventual withdrawal liability if the current steps being taken to renegotiate or modify these obligations should prove unsuccessful. The funded status of the remaining two plans could also deteriorate to the point that they are in critical status. Since the Debtors have limited information with respect to the Multiemployer Pension Plans to which they expect to continue to contribute, they are unable to predict the extent of any such future contribution increases or eventual withdrawal liability obligations.

(l) Connecticut Tax Dispute.

As discussed in Section [3.4] herein, JRE has formally protested certain assessments, amounting to more than $21 million, made by the CT DRS with respect to certain of JRE's Connecticut state income tax returns. There can be no assurance that the Debtors will be successful in their protest of such assessments. In addition, the Debtors may object to any claim filed by the CT DRS pursuant to section 502 of the Bankruptcy Code, or seek a determination of the tax liability by the Bankruptcy Court pursuant to section 505 of the Bankruptcy Code. If the Debtors are not successful, the Debtors may potentially be required to pay these amounts to the CT DRS in full, pursuant to section 1129(a)(9) of the Bankruptcy Code.

ARTICLE XIII.

SECURITIES LAW MATTERS

13.1 ***General.***

The Plan provides for the Reorganized Debtors to issue New Common Stock to the Lenders on account of the Allowed Secured Lender Claims and to the Existing Revolving Lenders pursuant to Section [7.8] of the Plan. The Plan also provides for the issuance of the Revolving Facility Warrants (and Warrant Shares upon the exercise of the Revolving Facility Warrants) to the New Revolving Lenders pursuant to the Revolving Facility Warrant Agreement. The Plan further provides for the Reorganized Debtors to incur on account of the Allowed Secured Lender Claims, the New Term Loan Facility Obligations.

The Debtors believe that the New Common Stock and the Revolving Facility Warrants constitute "securities," as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

13.2 ***New Common Stock.***

(a) Issuance of New Common Stock.

The Debtors believe that the offer and sale of the New Common Stock pursuant to the Plan will be exempt from federal and state securities registration requirements under various provisions of the Securities Act and the Bankruptcy Code. Section 1145 of the Bankruptcy Code provides that Section 5 of the Securities Act and any state law requirements for the offer and sale of a security do not apply to the offer or sale of stock, options, warrants or other securities by a debtor if (a) the offer or sale occurs under a plan of reorganization, (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor, and (c) the securities are issued in exchange for a claim against or interest in a debtor or are issued principally in such exchange and partly for cash and property. In reliance upon section 1145 of the Bankruptcy Code, the New Common Stock will not be registered under the Securities Act or any state securities laws.

(b) Resale of New Common Stock (other than Warrant Shares).

(1) Securities Law Restrictions.

The Debtors further believe that subsequent transfers of the New Common Stock (other than Warrant Shares) by the holders thereof that are not "underwriters," as defined in Section 2(a)(11) of the Securities Act and Section 1145(b)(1) of the Bankruptcy Code, will be exempt from federal and state securities registration requirements under various provisions of the Securities Act, the Bankruptcy Code and applicable state securities laws. In addition, the New Common Stock generally may be able to be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of those states; however, the availability of such exemptions cannot be known unless individual state securities laws are examined. Therefore, recipients of the New Common Stock are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state law in any given instance and as to any applicable requirements or conditions to such availability.

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer," (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest, or (b) offers to sell securities offered or sold under a plan for the holders of such securities, or (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan, or (d) is an issuer of the securities within the meaning of Section 2(a)(11) of the Securities Act. In addition, a Person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of Section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a Person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to Section 2(a)(11) of the

Securities Act, includes as "statutory underwriters" all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in Section 2(a)(11), is intended to cover "controlling persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "controlling person" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of securities of a reorganized debtor may be presumed to be a "controlling person" and, therefore, an underwriter.

Resales of the New Common Stock by Persons deemed to be "underwriters" (which definition includes "controlling person") are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Under certain circumstances, holders of New Common Stock who are deemed to be "underwriters" may be entitled to resell their New Common Stock pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act. Generally, Rule 144 of the Securities Act would permit the public sale of securities received by such person if current information regarding the issuer is publicly available and if volume limitations, manner of sale requirements and certain other conditions are met. However, the Reorganized Debtors do not presently intend to make publicly available the requisite information regarding the Reorganized Debtors and, as a result, Rule 144 will not be available for resales of New Common Stock by persons deemed to be underwriters.

Whether any particular Person would be deemed to be an "underwriter" (including whether such Person is a "controlling person") with respect to the New Common Stock would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the New Common Stock. In view of the complex nature of the question of whether a particular Person may be an underwriter, the Debtors make no representations concerning the right of any Person to freely resell New Common Stock. **Accordingly, the Debtors recommend that potential recipients of New Common Stock consult their own counsel concerning whether they may freely trade such securities without compliance with the federal and state securities laws.**

(2) Restrictions in the Amended Certificate.

The Amended Certificate contains restrictions on a holder's ability to transfer the New Common Stock to a Third Party (as such term is defined in the Amended Certificate). Subject to certain limited exceptions, the Amended Certificate will require notice to Reorganized JRC of any proposed transfer of New Common Stock and will restrict such transfer if Reorganized JRC reasonably determines that the transfer would, if effected, result in

Reorganized JRC having 500 or more holders of record (determined pursuant to the Exchange Act).

(3) Legend.

All certificates for shares of the New Common Stock (including Warrant Shares) shall conspicuously bear the following Legend:

> THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS OR OTHER JURISDICTION WITHIN THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED, OR AN EXEMPTION THEREFROM AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS.

In addition to the legend required by the Amended Certificate, all certificates for shares of New Common Stock shall conspicuously bear the following legend:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO VARIOUS CONDITIONS INCLUDING, CERTAIN RESTRICTIONS ON THE OFFER, SALE, DISPOSITION OR TRANSFER AS SET FORTH IN THE CORPORATION'S RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED (THE "**CERTIFICATE OF INCORPORATION**"). NO REGISTRATION OR TRANSFER OF THE SHARES REPRESENTED BY THIS CERTIFICATE WILL BE MADE ON THE BOOKS OF THE CORPORATION UNLESS AND UNTIL SUCH RESTRICTIONS SHALL HAVE BEEN COMPLIED WITH. THE CORPORATION WILL FURNISH WITHOUT CHARGE TO EACH HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE A COPY OF THE RESTATED CERTIFICATE OF INCORPORATION, CONTAINING THE ABOVE-REFERENCED RESTRICTIONS ON TRANSFERS OF SECURITIES, UPON WRITTEN REQUEST TO THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS.

13.3 ***Revolving Facility Warrants and Warrant Shares.***

(a) Initial Issuance.

The Debtor further believes that the initial offer and sale of the Revolving Facility Warrants to the New Revolving Lenders pursuant to the Plan (and the issuance of the Warrant

Shares upon exercise of the Revolving Facility Warrants) will be exempt from the registration requirements of Section 5 of the Securities Act by virtue of the "private placement exemption" provided by Section 4(2) of the Securities Act and Regulation D promulgated thereunder.

(b) Resale of Revolving Facility Warrants and Warrant Shares.

(1) Securities Law Restrictions.

As a result of their issuance in a "private placement," the Revolving Facility Warrants and the Warrant Shares will constitute "restricted securities" and thus may only be sold pursuant to a registration statement declared effective under Section 5 of the Securities Act or pursuant to an exemption from such registration requirement. Reorganized JRC is not obligated to, and does not presently intend to, file a registration statement relating to the resale of the Revolving Facility Warrants or the Warrant Shares. In certain circumstances, holders of Revolving Facility Warrants and Warrant Shares would be entitled to resell their securities pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act. Generally, Rule 144 of the Securities Act would permit the public sale of securities received by such person if current information regarding the issuer is publicly available and if volume limitations, manner of sale requirements and certain other conditions are met. However, the Reorganized Debtors do not presently intend to make publicly available the requisite information regarding the Reorganized Debtors and, as a result, Rule 144 will not be available for resales of Revolving Facility Warrants and Warrant Shares by persons deemed to be underwriters. Persons not deemed to be underwriters may be able to resell their securities pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act following the first anniversary of the issuance of those securities, subject to certain conditions.

In view of the complex nature of the question of transferring Revolving Facility Warrants or Warrant Shares, the Debtors make no representations concerning the ability to resell any such securities. **Accordingly, the Debtors recommend that potential recipients of Revolving Facility Warrants or Warrant Shares consult their own counsel regarding the circumstances under which they may resell such securities.**

(2) Contractual Restrictions.

The Revolving Facility Warrant Agreement contains restrictions on holders' ability to transfer the Revolving Facility Warrants. Subject to certain limited exceptions, transfers of Revolving Facility Warrants must comply with the provisions of the Amended Certificate. The Amended Certificate will require notice to Reorganized JRC of any transfer of Revolving Facility Warrants and Warrants Shares issued upon the exercise of the Revolving Facility Warrants and will restrict such transfers if Reorganized JRC reasonably determines that the transfer would, if effected, result in Reorganized JRC having 500 or more holders of record (determined pursuant to the Exchange Act).

(3) Legend.

Certificates, if any, representing the Revolving Facility Warrants will conspicuously bear the Legend contained in the Revolving Facility Warrant Agreement.

ARTICLE XIV.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

14.1 *Introduction.*

The following discussion summarizes certain federal income tax consequences expected to result from the consummation of the Plan. This discussion is only for general information purposes and only describes the expected tax consequences to holders entitled to vote on the Plan. It is not a complete analysis of all potential federal income tax consequences and does not address any tax consequences arising under any state, local or foreign tax laws or federal estate or gift tax laws. This discussion is based on the Internal Revenue Code of 1986, as amended, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, all as in effect on the date of this Disclosure Statement. These authorities may change, possibly retroactively, resulting in federal income tax consequences different from those discussed below. No ruling has been or will be sought from the IRS, and no legal opinion of counsel will be rendered, with respect to the matters discussed below. There can be no assurance that the IRS will not take a contrary position regarding the federal income tax consequences resulting from the consummation of the Plan or that any contrary position would not be sustained by a court.

For purposes of this discussion, the term "**Old Term Loans**" is used to refer to the obligations under the Existing Credit Agreement, and the term "**New Term Loans**" is used to refer to the obligations under the New Credit Agreements. This discussion assumes that holders of the Old Term Loans have held such property as "capital assets" within the meaning of IRC Section 1221 (generally, property held for investment) and holders will hold the New Term Loans and New Common Stock as capital assets. In addition, this discussion assumes that the Debtors' obligations under the Old Term Loans and New Term Loans will be treated as debt for federal income tax purposes.

This discussion does not address all federal income tax considerations that may be relevant to a particular holder in light of that holder's particular circumstances or to holders subject to special rules under the federal income tax laws, such as financial institutions, insurance companies, brokers, dealers or traders in securities, commodities or currencies, tax-exempt organizations, tax-qualified retirement plans, partnerships and other pass-through entities, foreign corporations, foreign trusts, foreign estates, holders who are not citizens or residents of the U.S., holders subject to the alternative minimum tax, holders holding Claims relating to the Old Term Loans, the New Term Loans or New Common Stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment, holders who have a functional currency other than the U.S. dollar and holders that acquired the Old Notes in connection with the performance of services.

HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF THE CONSUMMATION OF THE PLAN AND THE OWNERSHIP AND DISPOSITION OF THE NEW TERM LOANS AND NEW COMMON STOCK RECEIVED PURSUANT TO THE PLAN, AS WELL AS

ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS, OR ANY OTHER FEDERAL TAX LAWS.

TO COMPLY WITH INTERNAL REVENUE SERVICE CIRCULAR 230, TAXPAYERS ARE HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A TAXPAYER UNDER THE INTERNAL REVENUE CODE, (B) ANY SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

14.2 *Federal Income Tax Consequences to the Debtors.*

(a) Cancellation of Indebtedness and Reduction of Tax Attributes.

The Debtors generally should realize cancellation of indebtedness ("**COD**") income to the extent the sum of (i) cash and the fair market value of any property (including New Common Stock) and (ii) the issue price of the New Term Loans received by holders is less than the sum of (x) the adjusted issue prices of the Old Term Loans, (y) the adjusted issue price of any other debt exchanged for property pursuant to the Plan and (z) the amount of any unpaid accrued interest on the Old Term Loans and such other debt to the extent previously deducted by the Debtors.

The Debtors expect that the amount of COD income realized upon consummation of the Plan will be significant; however, the ultimate amount of COD income realized by the Debtors is uncertain because, among other things, it will depend on the fair market value of the New Common Stock and the issue price of the New Term Loans on the Effective Date. Estimated recoveries for the Debtors' various Claims are set forth in Article II above. The issue price of the New Term Loans will depend on whether the Secured Lender Claims or New Term Loans are "publicly traded," as discussed in Section 14.3(b)(2) herein, and if they are publicly traded, the prices at which they trade.

COD income realized by a debtor will be excluded from income if the discharge of debt occurs in a case brought under the Bankruptcy Code, the debtor is under the court's jurisdiction in such case and the discharge is granted by the court or is pursuant to a plan approved by the court (the "**Bankruptcy Exception**"). Because the Bankruptcy Exception will apply to the transactions consummated pursuant to the Plan, the Debtors will not be required to recognize any COD income realized as a result of the implementation of the Plan.

A debtor that does not recognize COD income under the Bankruptcy Exception generally must reduce certain tax attributes by the amount of the excluded COD income. Attributes subject to reduction include net operating losses ("NOLs"), NOL carryforwards and certain other losses, credits and carryforwards, and the debtor's tax basis in its assets (including stock of subsidiaries). Usually a debtor must reduce its own assets first before then reducing

stock of subsidiaries, following which the assets of subsidiaries may be reduced. A debtor's tax basis in its assets generally may not be reduced below the amount of liabilities remaining immediately after the discharge of indebtedness. If the debtor is a member of a consolidated group and reduces its basis in the stock of another group member, a "look-through rule" requires a corresponding reduction in the tax attributes of the lower-tier member. NOLs for the taxable year of the discharge and NOL carryovers to such year generally are the first attributes subject to reduction. However, a debtor may elect under IRC Section 108(b)(5) (the "**Section 108(b)(5) Election**") to reduce its basis in its depreciable property first. If the debtor is a member of a consolidated group, the debtor may treat stock in another group member as depreciable property for purposes of the Section 108(b)(5) Election, provided the lower-tier member consents to a corresponding reduction in its basis in its depreciable property. If a debtor makes a Section 108(b)(5) Election, the limitation on reducing the debtor's basis in its assets below the amount of its remaining liabilities does not apply. The Debtors have not yet determined whether they will make the Section 108(b)(5) Election.

The Debtors believe that, for federal income tax purposes, the Debtors' consolidated group generated approximately $71 million of consolidated NOLs in the 2008 tax year, of which approximately $59 million are expected to be carried forward, and likely will generate additional NOLs during the 2009 tax year. However, the amount of the Debtors' 2008 and 2009 NOLs will not be determined until the Debtors prepare their consolidated federal income tax returns for such periods. Moreover, the Debtors' NOLs are subject to audit and possible challenge by the IRS. Accordingly, the amount of the Debtors' NOLs ultimately may vary from the amounts set forth above.

The Debtors currently anticipate that the application of IRC Section 108(b) (assuming no Section 108(b)(5) Election is made) will likely eliminate its NOLs and NOL carryforwards and will cause a reduction of the tax bases of Debtors' assets and its stock in subsidiaries. However, the ultimate effect of the attribute reduction rules is uncertain because, among other things, it will depend on the amount of COD income realized by the Debtors and the extent to which the Debtors are required to reduce other tax attributes.

Instead of taking advantage of the Bankruptcy Exception, under the provisions of the American Recovery and Reinvestment Act of 2009, the Debtors may make an election to defer the inclusion of any COD income recognized in connection with the Plan (the "Deferral Election"). If the Debtors make the Deferral Election, such COD income would be included in income by the Debtors ratably over a 5-year period beginning in 2014. The Debtors may decide to make the Deferral Election if they determine that the effect of such election is less costly than the tax attribute reduction that would result from the application of the Bankruptcy Exception.

(b) Section 382 Limitation on NOLs.

Under IRC Section 382, if a corporation or a consolidated group with NOLs (a "**Loss Corporation**") undergoes an "ownership change," the Loss Corporation's use of its pre-change NOLs (and certain other tax attributes) generally will be subject to an annual limitation in the post-change period. In general, an "ownership change" occurs if the percentage of the value of the Loss Corporation's stock owned by one or more direct or indirect "five percent shareholders" increases by more than fifty percentage points over the lowest percentage of value

owned by the five percent shareholders at any time during the applicable testing period (an "**Ownership Change**"). The testing period generally is the shorter of (i) the three-year period preceding the testing date or (ii) the period of time since the most recent Ownership Change of the corporation.

Subject to the special bankruptcy rules discussed below, the amount of the annual limitation on a Loss Corporation's use of its pre-change NOLs (and certain other tax attributes) is generally equal to the product of the applicable long-term tax-exempt rate (as published by the IRS for the month in which the Ownership Change occurs) and the value of the Loss Corporation's outstanding stock immediately before the Ownership Change (excluding certain capital contributions). If a Loss Corporation has a net unrealized built-in gain ("**NUBIG**") immediately prior to the Ownership Change, the annual limitation may be increased during the subsequent five-year period (the "**Recognition Period**"). If a Loss Corporation has a net unrealized built-in loss ("**NUBIL**") immediately prior to the Ownership Change, certain losses recognized during the Recognition Period also would be subject to the annual limitation and thus would reduce the amount of pre-change NOLs that could be used by the Loss Corporation during the five-year period.

The Debtors expect the consummation of the Plan will result in an Ownership Change of the Debtors' consolidated group. The remainder of this discussion assumes that the expected Ownership Change will occur on the Effective Date, though it is possible the IRS could take the position that the Ownership Change occurred on the date the Plan is confirmed by the Bankruptcy Court. If the IRS took the position that the ownership change occurred on the Confirmation Date, the consequences of such change could be other than as described below. Because the Ownership Change that occurs on the Effective Date will occur in a case brought under the Bankruptcy Code, one of the following two special rules will apply in determining the Debtors' ability to utilize NOLs attributable to tax periods preceding the Effective Date in post-Effective Date tax periods.

Under IRC Section 382(l)(5), an Ownership Change in bankruptcy will not result in any annual limitation on the debtor's pre-change NOLs if the stockholders or "qualified creditors" of the debtor receive at least fifty percent (50%) of the stock (by vote and value) of the reorganized debtor in the bankruptcy reorganization as a result of being shareholders or creditors of the debtor. Instead, the debtor's pre-change NOLs are reduced by the amount of any interest deductions with respect to debt converted into stock in the bankruptcy reorganization that were allowed in the three taxable years preceding the taxable year in which the Ownership Change occurs and in the part of the taxable year prior to and including the effective date of the bankruptcy reorganization. However, if any pre-change NOLs of the debtor already are subject to an annual usage limitation under IRC Section 382 at the time of an Ownership Change subject to IRC Section 382(l)(5), those NOLs will continue to be subject to such limitation.

A qualified creditor is any creditor who has held the debt of the debtor continuously during the period beginning at least eighteen months prior to the Commencement Date or who has held "ordinary course indebtedness" at all times since it has been outstanding. A creditor who does not become a direct or indirect five percent shareholder of the reorganized debtor generally may be treated by the debtor as having always held any debt exchanged for stock for purposes of determining whether such creditor is a qualified creditor unless the

creditor's participation in formulating the plan of reorganization makes evident to the debtor that the creditor has not owned the debt for the requisite period. The Debtors believe that the Ownership Change expected to result from the consummation of the Plan may satisfy the requirements of IRC Section 382(l)(5), though no assurance can be given in this regard.

If IRC Section 382(l)(5) applies to an Ownership Change, any subsequent Ownership Change of the debtor within a two-year period will result in the debtor being unable to use any pre-change losses following such subsequent Ownership Change. A debtor may elect not to apply IRC Section 382(l)(5) to an Ownership Change that otherwise satisfies its requirements. This election must be made on the debtor's federal income tax return for the taxable year in which the Ownership Change occurs. The Debtors have not yet determined whether to elect out of the application of IRC Section 382(l)(5) if it is determined they otherwise qualify. If the Effective Date occurs in 2009, assuming the Ownership Change resulting from implementation of the Plan satisfies the requirements of IRC Section 382(l)(5), the Debtors would have until as late as September 15, 2010, to determine whether to elect not to apply IRC Section 382(l)(5).

If an Ownership Change pursuant to a bankruptcy plan does not satisfy the requirements of IRC Section 382(l)(5), or if a debtor elects not to apply IRC Section 382(l)(5), the debtor's use of its pre-change NOLs will be subject to an annual limitation as determined under IRC Section 382(l)(6). In such case, the amount of the annual limitation generally will be equal to the product of the applicable long-term tax-exempt rate (5.49% for January 2009) and the value of the debtor's outstanding stock immediately after the bankruptcy reorganization, provided such value may not exceed the value of the debtor's gross assets immediately before the Ownership Change, subject to certain adjustments. Depending on whether the debtor has a NUBIG or NUBIL immediately prior to the Ownership Change, the annual limitation may be increased or decreased during the Recognition Period. However, if any pre-change NOLs of the debtor already are subject to an annual limitation at the time of an Ownership Change subject to IRC Section 382(l)(6), those NOLs will be subject to the lower of the two annual limitations.

NOLs not utilized in a given year due to the annual limitation may be carried forward for use in future years until their expiration dates. To the extent the Reorganized Debtors' annual limitation exceeds the consolidated group's taxable income in a given year, the excess will increase the annual limitation in future taxable years.

(c) Alternative Minimum Tax.

In general, an alternative minimum tax ("**AMT**") is imposed on a corporation's alternative minimum taxable income ("**AMTI**") at a 20% rate to the extent such tax exceeds the corporation's regular federal income tax for the taxable year. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated, with further adjustments required if AMTI, determined without regard to adjusted current earnings ("**ACE**"), differs from ACE. In addition, even though a corporation otherwise might be able to offset all of its taxable income for regular tax purposes by available NOL carryforwards, under current law only 90% of its AMTI generally may be offset by available NOL carryforwards. Accordingly, for tax periods after the Effective Date, the Reorganized Debtors may have to pay AMT regardless of whether they generate non-AMT NOLs or have sufficient non-AMT NOL

carryforwards to offset regular taxable income for such periods. In addition, if a corporation undergoes an Ownership Change and is in a NUBIL position on the date of the Ownership Change, the corporation's aggregate tax basis in its assets would be reduced for certain AMT purposes to reflect the fair market value of such assets as of the change date. A corporation that pays AMT generally is later allowed a nonrefundable credit (equal to a portion of its prior year AMT liability) against its regular federal income tax liability in future taxable years when it is no longer subject to the AMT.

14.3 ***Federal Income Tax Consequences to Holders of Certain Claims.***

(a) Holders of Secured Lender Claims (Class 2).

(1) Tax Securities

The tax consequences of the Plan to a holder of a Claim may depend in part upon (1) whether such Claim is based on an obligation that constitutes a "security" for federal income tax purposes and (2) whether all or a portion of the consideration received for such Claim is an obligation that constitutes a "security" for federal income tax purposes. The determination of whether a debt obligation constitutes a security for federal tax purposes is complex and depends on the facts and circumstances surrounding the origin and nature of the claim. Generally, obligations arising out of the extension of trade credit have been held not to be tax securities, while corporate debt obligations evidenced by written instruments with original maturities of ten years or more have been held to be tax securities. It is uncertain whether the Old Term Loans or the New Term Loans will be considered securities for federal tax purposes and Holders are advised to consult their tax advisors with respect to this issue.

(2) Exchange of Secured Lender Claims for New Common Stock and the Indebtedness Under the New Term Loans.

If the Old Term Loans and New Term Loans are treated as securities for federal income tax purposes, the exchange of Old Term Loans for New Term Loans and New Common Stock will constitute a recapitalization; and holders of the Old Term Loans will not recognize gain or loss on the exchange. A Secured Lender's holding period in the New Term Loan Facilities and the New Common Stock would include the Secured Lender's holding period in its Old Term Loans, and the Secured Lender would have a basis in the New Term Loan Facilities and the New Common Stock equal, in the aggregate, to the Secured Lender's basis in its Old Term Loans.

If the Old Term Loans are treated as securities for federal income tax purposes, but the New Term Loans are not treated as securities, each Secured Lender will recognize gain, but not loss, in an amount equal to the lesser of (i) the issue price of the New Term Loans and (ii) the excess of (A) the sum of fair market value of the New Common Stock plus the issue price of the New Term Loans over (B) the adjusted basis of the Secured Lender in the Old Term Loans. A Secured Lender's holding period in the New Common Stock would include the Secured Lender's holding period in its Old Term Loans, while the Secured Lender would start a new holding period in the New Term Loans. The Secured Lender's basis in the New Term Loans would equal their issue price, and the Secured Lender's basis in the New Common Stock would

equal the Secured Lender's basis in its Secured Lender Claim less the issue price of the New Term Loans plus the amount of gain, if any, recognized on the exchange.

If the Old Term Loans are not treated as securities for federal income tax purposes, a Secured Lender will generally recognize gain or loss on the exchange of the Old Term Loans for the New Term Loans and New Common Stock. Such gain or loss will generally be equal to the difference between the sum of the fair market value of the New Common Stock and the issue price of the New Term Loans and the Secured Lender's tax basis in the Old Term Loans. Any gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the Old Term Loans for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

(3) New Term Loans.

Interest and Original Issue Discount. Payments of stated interest under the New Term Loans will constitute payments of "qualified stated interest" and generally will be taxable to holders as ordinary income at the time the payments are received or accrued, in accordance with the holder's method of tax accounting.

The preceding discussion assumes the amount of the New Term Loans will not be issued with original issue discount ("**OID**"). The New Term Loans generally would be treated as issued with OID if the principal amount of the New Term Loans plus all scheduled interest payments thereon, other than payments of qualified stated interest, exceeds the issue price of the notes by more than a *de minimis* amount. The issue price of a debt instrument issued in exchange for another debt instrument depends on whether either debt instrument is considered publicly traded for purposes of the OID rules at any time during the sixty-day period ending thirty days after the issue date. If neither debt instrument is publicly traded, the issue price of the new debt instrument will be its stated principal amount if the new debt instrument provides for adequate stated interest (*i.e.*, interest at least at the applicable federal rate as of the issue date), or will be its imputed principal amount if the instrument does not provide for adequate stated interest. If the new debt instrument is publicly traded, its issue price generally will be its trading price immediately following issuance. If the old debt instrument is publicly traded, but the new debt instrument is not, the issue price of the new debt instrument generally will be the fair market value of the old debt instrument at the time of the exchange less the fair market value of the portion of the old debt instrument allocable to any other property received in the exchange.

A debt instrument will be considered to be publicly traded if certain pricing information related to the instrument is generally available on a quotation medium. Because the relevant trading period is generally in the future, it is impossible to predict whether the Secured Lender Claims or the New Term Loans will be publicly traded during the relevant period.

Sale, Retirement or Other Taxable Disposition. A holder of the New Term Loans will recognize gain or loss upon the sale, redemption, retirement or other taxable disposition of the obligations due under the New Term Loans equal to the difference between the amount realized upon the disposition (less a portion allocable to any unpaid accrued interest which

generally will be taxable as ordinary income) and the holder's adjusted tax basis in the New Term Loans. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the New Term Loans for more than one year as of the date of disposition. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

(4) New Common Stock.

Distributions. A holder of New Common Stock generally will be required to include in gross income as ordinary dividend income the amount of any distributions paid on the New Common Stock to the extent such distributions are paid out of the Reorganized Debtors' current or accumulated earnings and profits as determined for federal income tax purposes. Distributions not treated as dividends for federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's adjusted tax basis in the New Common Stock, but not below zero. Any excess amount will be treated as gain from a sale or exchange of the New Common Stock. Holders that are treated as corporations for federal income tax purposes may be entitled to a dividends received deduction with respect to distributions out of earnings and profits.

Sale or Other Taxable Disposition. A holder of New Common Stock will recognize gain or loss upon the sale or other taxable disposition of New Common Stock equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in the New Common Stock. Subject to the rules discussed below in "*Other Considerations—Market Discount*" and the recapture rules under IRC Section 108(e)(7), any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the holder has held the New Common Stock for more than one year as of the date of disposition. Under the IRC Section 108(e)(7) recapture rules, a holder may be required to treat gain recognized on the taxable disposition of the New Common Stock as ordinary income if the holder took a bad debt deduction with respect to the Secured Lender Claims or recognized an ordinary loss on the exchange of the Secured Lender Claims for New Common Stock. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

(b) Other Considerations.

Accrued Interest. There is general uncertainty regarding the extent to which the receipt of cash or other property should be treated as attributable to unpaid accrued interest. The Reorganized Debtors intend to take the position that cash or property distributed pursuant to the Plan will first be allocable to the principal amount of a holder's Claim and then, to the extent necessary, to any unpaid accrued interest thereon. The IRS, however, could take a contrary position.

To the extent any property received pursuant to the Plan is considered attributable to unpaid accrued interest, a holder will recognize ordinary income to the extent the value of the property exceeds the amount of unpaid accrued interest previously included in gross income by

the holder. A holder's tax basis in such property should be equal to the amount of interest income treated as satisfied by the receipt of the property, and its holding period in the property should begin on the day after the Effective Date. A holder generally will be entitled to recognize a loss to the extent any accrued interest previously included in its gross income is not paid in full. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE EXTENT TO WHICH CONSIDERATION RECEIVED UNDER THE PLAN SHOULD BE TREATED AS ATTRIBUTABLE TO UNPAID ACCRUED INTEREST.

Market Discount. A holder that acquires a debt instrument at a market discount generally is required to treat any gain realized on the disposition of the instrument as ordinary income to the extent of accrued market discount not previously included in gross income by the holder. However, special rules apply to the disposition of a market discount obligation in certain types of non-recognition transactions, such as a recapitalization.

(c) Information Reporting and Backup Withholding.

The Reorganized Debtors (or their paying agent) may be obligated to furnish information to the IRS regarding the consideration received by holders (other than corporations and other exempt holders) pursuant to the Plan. In addition, the Reorganized Debtors will be required to report annually to the IRS with respect to each holder (other than corporations and other exempt holders) the amount of interest paid and OID, if any, accrued on the New Term Loans, the amount of dividends paid on the New Common Stock, and the amount of any tax withheld from payment thereof.

Holders may be subject to backup withholding (currently, at a rate of 28%) on the consideration received pursuant to the Plan. Backup withholding may also apply to interest, OID and principal payments on the New Term Loans, dividends paid on the New Common Stock and proceeds received upon sale or other disposition of the New Term Loans or New Common Stock. Certain holders (including corporations) generally are not subject to backup withholding. A holder that is not otherwise exempt generally may avoid backup withholding by furnishing to the Reorganized Debtors (or their paying agent) its taxpayer identification number and certifying, under penalties of perjury, that the taxpayer identification number provided is correct and that the holder has not been notified by the IRS that it is subject to backup withholding.

Backup withholding is not an additional tax. Taxpayers may use amounts withheld as a credit against their federal income tax liability or may claim a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

THE FOREGOING DISCUSSION OF FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN DESCRIBED HEREIN. NEITHER THE PROPONENTS NOR THEIR PROFESSIONALS WILL HAVE ANY LIABILITY TO ANY PERSON OR HOLDER ARISING FROM OR RELATED TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PLAN OR THE FOREGOING DISCUSSION.

ARTICLE XV.

CONCLUSION

The Debtors believe that confirmation and implementation of the Plan is preferable to any of the alternatives described herein because it will provide the greatest recovery to holders of Claims. Other alternatives would involve significant delay, uncertainty and substantial administrative costs and are likely to reduce any return to creditors who hold Claims. The Debtors urge the holders of impaired Claims in Class [2] who are entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by returning their Ballots to the Voting Agent so that they will be received not later than 4:00 p.m. (prevailing Eastern Time) on [ ], 2009.

Dated: [February ___], 2009
New York, New York

Respectfully submitted,

JOURNAL REGISTER COMPANY
on behalf of itself and its Affiliated Debtors

By: _____
James W. Hall
Chief Executive Officer

Counsel:

WILLKIE FARR & GALLAGHER LLP

787 Seventh Avenue
New York, NY 10019
(212) 728-8000
Proposed Counsel for the Debtors
and Debtors in Possession

Exhibits

- Exhibit 1 — Plan
- Exhibit 2 — Plan Support Agreement
- Exhibit 3 — Prepetition Corporate Organizational Chart
- Exhibit 4 — Consolidated Financial Statements for the Debtors for the fiscal year ended December 28, 2008
- Exhibit 5 — Liquidation Analysis
- Exhibit 6 — Reorganized Debtors' Projected Financial Information
- Exhibit 7 — Disclosure Statement Order