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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

Journal Register Company, *et al.*¹,

Debtors.

Chapter 11

Case No. 12-13774 (SMB)

Jointly Administered

**STIPULATION, AGREEMENT AND CONSENT ORDER BY AND AMONG THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS AND THE PRE-PETITION
REVOLVING LENDER**

The Official Committee of Unsecured Creditors (the “**Committee**”)² appointed in the bankruptcy cases of the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) and Wells Fargo Bank, N.A., in its capacity as pre-petition lender under the Revolving Loan Agreement (defined below) (the “**Pre-Petition Revolving Lender**”); and, together with the Committee, the “**Parties**”), hereby stipulate and agree as follows:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtors’ federal tax identification number, are: Journal Register Company (8615), Register Company, Inc. (6548), Chanry Communications Ltd. (3704), Pennysaver Home Distributions Corp. (9476), All Home Distribution Inc. (0624), JR East Holdings, LLC (N/A), Journal Register East, Inc. (8039), Journal Company, Inc. (8220), JRC Media, Inc. (4264), Orange Coast Publishing Co. (7866), St. Louis Sun Publishing Co. (1989), Middletown Acquisition Corp. (3035), JiUS, Inc. (3535), Journal Register Supply, Inc. (6546), Northeast Publishing Company, Inc. (6544), Hometown Newspapers, Inc. (8550), The Goodson Holding Company (2437), Acme Newspapers, Inc. (6478), 21st Century Newspapers, Inc. (6233), Morning Star Publishing Company (2543), Heritage Network Incorporated (6777), Independent Newspapers, Inc. (2264), Voice Communications Corp. (0455), Digital First Media Inc. (0431), Great Lakes Media, Inc. (5920), Up North Publications, Inc. (2784), Greater Detroit Newspaper Network, Inc. (4228), Great Northern Publishing, Inc. (0800), and Saginaw Area Newspapers, Inc. (8444). The mailing address for each of the Debtors is Lower Makefield Corporate Center, 790 Township Road, 3rd Floor, Yardley, PA 19067.

² Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Final DIP Order (as defined below).

RECITALS

A. On September 5, 2012 (the “**Petition Date**”), each of the above-referenced Debtors filed voluntary cases under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of New York (“**Bankruptcy Court**”).

B. On September 5, 2012, the Debtors filed *a Motion for Entry of Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363 364 and 507 and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing the Debtors to Incur Postpetition Secured Indebtedness and with Administrative Priority Over Existing Secured Indebtedness and with Administrative Superpriority, (II) Granting Liens, (III) Authorizing the Debtors to Use Cash Collateral Pursuant to 11 U.S.C. § 363 and Providing for Adequate Protection, (IV) Modifying Automatic Stay and (V) Scheduling a Final Hearing [Docket No. 13]* (the “**DIP Motion**”).

C. The Debtors are continuing in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these chapter 11 cases.

D. On September 13, 2012, the Office of the United States Trustee appointed the Committee pursuant to 11 U.S.C. § 1102.

E. On September 11, 2012, the Court entered an order granting the DIP Motion on an interim basis (the “**Interim DIP Order**”) [*Docket No. 41*].

F. On October 4, 2012, the *Final Order (A) Authorizing Debtors to Obtain Post-Petition Secured Financing, Use Cash Collateral, and Grant Security Interests and Superpriority Administrative Expense Status Pursuant to 11 U.S.C. §§ 105 and 364(c); (B) Modifying the*

Automatic Stay Pursuant to 11 U.S.C. § 362; (C) Authorizing the Debtors to Enter Into Agreement with Wells Fargo Bank, N.A. [Docket No. 113] (the “**Final DIP Order**”) was entered.

G. The Debtors’ are subject to that certain Loan and Security Agreement, dated August 7, 2009 (the “**Revolving Loan Agreement**”, and together with all related agreements and documentation, the “**Revolving Credit Facility**”), by and among the Debtors as borrowers, and the Pre-Petition Revolving Lender. The Final DIP Order authorized the Debtors to enter into a Ratification and Amendment Agreement which ratified, extended, adopted and amended the Revolving Loan Agreement (together with all related agreements and documentation (the “**Ratification Agreement**”).

H. All obligations of the Debtors arising under the Revolving Loan Agreement including the “Pre-Petition Obligations” as defined in the Ratification Agreement shall be referred to herein as the “**Pre-Petition Credit Obligations.**”

I. Pursuant to the Revolving Loan Agreement, the Debtors granted to the Pre-Petition Revolving Lender, to secure the Pre-Petition Credit Obligations, a first priority security interest in and continuing lien (the “**Pre-Petition First Priority Liens**”) on all or substantially all of the Debtors’ assets and property and all proceeds, products, accessions, rents, and profits thereof, in each case whether then owned or existing or thereafter acquired or arising prior to the Petition Date (the “**Pre-Petition Collateral**”).

J. Pursuant to paragraph 4.1 of the Final DIP Order, the Committee investigated the scope of the Pre-Petition Collateral and the validity of liens and security interests of the Pre-Petition Revolving Lender in the Pre-Petition Collateral. As a result of this investigation, the Committee and the Pre-Petition Revolving Lender are prepared to stipulate to the scope of the

Pre-Petition Collateral and the validity of liens and the security interests of the Pre-Petition Revolving Lender in the Pre-Petition Collateral.

K. All parties agree that this agreement can be signed in multiple counter-parts.

THEREFORE, THE PARTIES HEREBY STIPULATE, CONSENT, AND AGREE as follows:

1. Subject to paragraph 3 below, the Pre-Petition Revolving Lender holds a legal, valid, enforceable, perfected and non-avoidable lien and security interest in the Pre-Petition Collateral (subject only to certain Permitted Liens and Claims as defined in the Final DIP Order) as of the Petition Date, and such liens are not subject to defense, claim, counterclaim, recharacterization, subordination, or avoidance, and the liens on the Pre-Petition Collateral granted to secure the Pre-Petition Credit Obligations shall not be subject to any challenge by the Committee. Subject to paragraph 3 below, the Committee agrees not to file any Objection (as defined in Section 4.1 of the Final DIP Order) (a) arising out of or relating to the Pre-Petition Credit Obligations, the Pre-Petition Collateral or the Pre-Petition First Priority Liens or (b) against the Pre-Petition Revolving Lender.

2. Subject to paragraph 3 below, the Debtors' Stipulations are hereby binding on the Committee, any trustee of the Debtors' estates appointed in these Cases, or any other party in interest.

3. The Pre-Petition Collateral does not include the following property of the Debtors (collectively, the "**Excluded Assets**"):

(i) Vehicles:

Owner/Debtor Name	Description	Aggregate Net Book Value
The Goodson Holding Company	51 automobiles, trucks, trailers and other vehicles	\$45,968.57

Owner/Debtor Name	Description	Aggregate Net Book Value
Greater Detroit Newspaper Network, Inc.	8 automobiles, trucks, trailers and other vehicles	\$6,615.84
Great Lakes Media, Inc.	5 automobiles, trucks, trailers and other vehicles	\$0
Heritage Network Incorporated	6 automobiles, trucks, trailers and other vehicles	\$0
Independent Newspapers, Inc.	41 automobiles, trucks, trailers and other vehicles	\$104,135.61
Journal Register East, Inc.	47 automobiles, trucks, trailers and other vehicles	\$140,353.96
Morning Star Publishing Company	4 automobiles, trucks, trailers and other vehicles	\$0
Northeast Publishing Company, Inc.	42 automobiles, trucks, trailers and other vehicles	\$62,141.37
TOTAL:		\$359,215.35

(ii) Deposit Accounts:

Accountholder/Debtor Name	Bank Name/Account No.	Balance
Journal Register East, Inc.	Oneida Savings Depository Account No. 91-0002781	\$2,982.43
Morning Star Publishing Company	Citizens Depository Account No. 4524502103	\$500
Morning Star Publishing Company	FirstBank Depository Account No. 1810166213	\$7,286.17
Morning Star Publishing Company	PNC Depository Account No. 4235179197	\$1,975.73
Up North Publications, Inc.	J.P. Morgan Chase Depository Account No. 130605283501	\$1,463.63
TOTAL BALANCE:		\$14,207.96

(iii) U.S. Copyrights (in each instance, such assets to constitute Excluded Assets solely to the extent registered with the US Copyright Office on the Petition Date):

Journal Register Company has seventy-five (75) titles, Independent Newspapers, Inc., sixteen (16) titles, and Great Lakes Media, Inc. four (4) titles in the US Copyright Office's online database. No registered copyrights exist for serial publications for Independent Newspapers, Inc.

(iv) The following Real Property: (a) The Goodson Holding Company, 6220 Ridge Ave., Philadelphia, PA 19128, total: \$280,000; (b) Morning Star Publishing

Company, 206 N. Bridge St., Bellaire, MI 49615, total: \$50,000; (c) Morning Star Publishing Company, 112 E. State St., Mancelona, MI 49659, total: \$25,000.

(v) Prepaid Deposits (such prepaid deposits to constitute Excluded Assets solely to the extent such prepaid deposits are, under applicable non-bankruptcy law, held in trust or escrow for the benefit of the Debtors or in a bank account of any Debtor at a depository bank other than Wells Fargo Bank, N.A.):

Debtor Name	Description	Aggregate Current Value
21 st Century Newspapers, Inc.	Real Estate Lease Security Deposits (4 properties) and Credit Card Deposits/Escrow with Comerica Merchant Services	\$226,662.36
The Goodson Holding Company	Real Estate Lease Security Deposit (3 properties) and Credit Card Deposits/Escrow with Comerica Merchant Services (7 accounts)	\$508,984.24
Great Lakes Media, Inc.	Real Estate Lease Security Deposits (3 properties) and Credit Card Deposits/Escrow with Comerica Merchant Services	\$355,519.48
Heritage Network Incorporated	Real Estate Lease Security Deposit and Credit Card Deposits/Escrow with Comerica Merchant Services	\$89,112.33
Independent Newspapers, Inc.	Real Estate Lease Security Deposits (4 properties) and Credit Card Deposits/Escrow with Comerica Merchant Services	\$369,067.23
Journal Register Company	Real Estate Lease Security Deposit	\$178,120.83
Journal Register East, Inc.	Real Estate Lease Security Deposit and Credit Card Deposits/Escrow with Comerica Merchant Services (11 accounts)	\$343,949.88
Middletown Acquisition Corp.	Real Estate Lease Security Deposit	\$6,650

Debtor Name	Description	Aggregate Current Value
Northeast Publishing Company, Inc.	Credit Card Deposits/Escrow with Comerica Merchant Services (3 accounts)	\$317,892.47
TOTAL:		\$2,395,958.82

4. Notwithstanding anything to the contrary herein, the Committee and the Pre-Petition Revolving Lender each reserve the right to seek a declaratory judgment, and to challenge or contest any request for such a declaratory judgment, with respect to the nature and/or classification, under applicable non-bankruptcy law, of the Debtors' interest in the prepaid deposits referred to in Section 3(v) above, including with respect to (a) whether the Debtor's interest in such prepaid deposits constitutes a "general intangible" within the meaning of Article 9 of the Uniform Commercial and (b) whether, under applicable non-bankruptcy law, such prepaid deposits are held in trust or in escrow for the benefit of the Debtors.

[SIGNATURES APPEAR ON NEXT PAGE]

Dated: New York, New York
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Counsel to Wells Fargo Bank, N.A.

SO ORDERED THIS 25th DAY OF JANUARY, 2013

/s/ STUART M. BERNSTEIN

Honorable Stuart M. Bernstein
United States Bankruptcy Judge