

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)		Chapter 11
SP NEWSPRINT HOLDINGS LLC, <u>et al.</u> , ¹)		Case No. 11-13649 (CSS)
Debtors.)		Jointly Administered
)		Re: ECF Nos. 197, 205, 232, 351, 388, 822, 823, and 980

**NOTICE OF FILING OF FIFTH AMENDMENT TO SENIOR SECURED PRIMING
AND SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT**

PLEASE TAKE NOTICE that, on December 15, 2011, the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”) filed the *Debtors’ Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Post-Petition Secured Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364, and 507 and (B) to Utilize Cash Collateral Pursuant to 11 U.S.C. § 363; (II) Granting Liens and Super-Priority Claims; (III) Granting Adequate Protection to Pre-Petition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364; and (IV) Scheduling Final Hearing Pursuant to Bankruptcy Rule 4001* [ECF No. 197] (the “Financing Motion”)² with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, following a hearing to consider certain of the relief requested in the Financing Motion on December 16, 2011, the Bankruptcy Court granted the relief requested in the Financing Motion on an interim basis [ECF No. 205].

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each of the Debtors’ tax identification numbers, are: SP Newsprint Holdings, LLC (6180); SP Newsprint Co. LLC (7779); SP Recycling Corporation (2936); and SEP Technologies, L.L.C. (2955).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Subsequently, on January 25, 2012, the Bankruptcy Court granted the relief requested in the Financing Motion on a final basis [ECF No. 388] (the “Final DIP Order”).

PLEASE TAKE FURTHER NOTICE that, on December 22, 2011, the Debtors closed on the DIP Facility, and filed with the Bankruptcy Court the execution version of the DIP Credit Agreement [ECF No. 232].

PLEASE TAKE FURTHER NOTICE that, in accordance with paragraph 21(i) of the Final DIP Order and Section 11.1 of the DIP Credit Agreement, the Debtors, the DIP Agent, the DIP Required Lenders, and the Pre-Petition Required Lenders agreed in writing to a fifth amendment to the DIP Credit Agreement (the “Fifth DIP Amendment”). A copy of the Fifth DIP Amendment is attached hereto as Exhibit A.

Dated: July 16, 2012
Wilmington, Delaware

/s/ Lee E. Kaufman
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Attorneys for the Debtors and Debtors-in-Possession

EXHIBIT A

**FIFTH AMENDMENT
TO SENIOR SECURED PRIMING AND SUPERPRIORITY DEBTOR-IN-POSSESSION
CREDIT AGREEMENT**

THIS FIFTH AMENDMENT TO SENIOR SECURED PRIMING AND SUPERPRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT (this "Amendment") is dated as of July 13, 2012 and is entered into by and among SP NEWSPRINT CO., LLC, a Georgia limited liability company and a Debtor and Debtor-In-Possession under the Bankruptcy Code (the "Borrower"), SP NEWSPRINT HOLDINGS LLC, a Delaware limited liability company and a Debtor and Debtor-In-Possession under the Bankruptcy Code ("Holdings"), SP RECYCLING CORPORATION, a Georgia corporation and a Debtor and Debtor-In-Possession under the Bankruptcy Code, SEP TECHNOLOGIES, L.L.C., a Georgia limited liability company and a Debtor and Debtor-In-Possession under the Bankruptcy Code and the Lenders party hereto and, for purposes of Section IV hereof, the Guarantors listed on the signature pages hereto, and is made with reference to that certain Senior Secured Priming and Superpriority Debtor-In-Possession Credit Agreement dated as of December 22, 2011 (as amended through the date hereof, the "Credit Agreement") by and among the Borrower, Holdings, the subsidiaries of the Borrower named therein, the Lenders and the Administrative Agent. Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement after giving effect to this Amendment.

RECITALS

WHEREAS, the Loan Parties have requested that the Lenders agree to amend certain provisions of the Credit Agreement as provided for herein; and

WHEREAS, subject to the terms and conditions set forth herein, the Lenders are willing to agree to such amendment relating to the Credit Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION I. AMENDMENTS TO CREDIT AGREEMENT

1.1 Amendments to Section 1: Definitions.

Section 1.1 of the Credit Agreement is hereby amended by adding the following definitions in proper alphabetical sequence:

"Fifth Amendment" means that certain Fifth Amendment to Senior Secured Priming and Superpriority Debtor-In-Possession Credit Agreement dated as of July 13, 2012 among the Borrower, Holdings, and the financial institutions and Guarantors listed on the signature pages thereto.

"Fifth Amendment Effective Date" means the date of satisfaction of the conditions referred to in Section II of the Fifth Amendment, which date is July 13, 2012.

“**Maximum Cash Amount**” means, at any time of determination, the lesser of (a) \$8,000,000 and (b) without duplication, the sum of (x) the aggregate face amount of all checks issued by the Borrower and its Subsidiaries and the aggregate amount of all debits (including any automated clearing house payments) authorized by the Borrower and its Subsidiaries, in each case (i) originating from the Cash Collateral Account, Controlled Deposit Accounts and Controlled Securities Accounts and (ii) that have not yet cleared, plus (y) \$1,000,000.

1.2 Amendments to Section 2.2: Borrowing Procedures; Disbursement Procedures.

Section 2.2(d) is hereby amended by deleting each reference to “\$5,000,000” in the third sentence of such Section 2.2(d) and substituting, in each case, the following words therefor: “the Maximum Cash Amount”.

1.3 Amendments to Section 3.2: Conditions Precedent to Each Loan.

Section 3.2(e) is hereby amended by deleting the reference to “\$5,000,000” in such Section 3.2(e) and substituting the following words therefor: “the Maximum Cash Amount”.

1.4 Amendments to Section 6.1(b): Annual Reports.

Section 6.1(b) is hereby amended and restated by deleting such Section 6.1(b) in its entirety and substituting the following new provision therefor:

“Annual Reports. As soon as available, and in any event within 120 days after the end of each Fiscal Year (or such later date that the Administrative Agent may agree in its sole discretion), the Consolidated and consolidating balance sheet of Holdings as of the end of such year and related Consolidated and consolidating statements of operations, unitholders’ equity and cash flow for such Fiscal Year, each prepared in accordance with GAAP, together with a certification (with respect to such Consolidated financial statements) by the Group Members’ Accountants that such Consolidated Financial Statements fairly present in all material respects the Consolidated financial position, results of operations and cash flow of Holdings as at the dates indicated and for the periods indicated therein in accordance with GAAP.”.

1.5 Amendments to Section 7.11: Deposit Accounts; Securities Accounts and Cash Collateral Accounts.

Section 7.11(d) is hereby amended by deleting the reference to “\$5,000,000” in such Section 7.11(d) and substituting the following words therefor: “the Maximum Cash Amount”.

SECTION II. CONDITIONS TO EFFECTIVENESS

This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the “Fifth Amendment Effective Date”):

A. Execution. Administrative Agent shall have received a counterpart signature page of this Amendment duly executed by (i) each of the Loan Parties and (ii) each of the Lenders.

B. Necessary Consents. Each Loan Party shall have obtained all material consents necessary or advisable in connection with the transactions contemplated by this Amendment.

C. Representations and Warranties; No Defaults or Events of Default. The representations and warranties contained in Section III of this Amendment are and will be true and correct in all material respects on and as of the Fifth Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date. Both before and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

D. Other Documents. Administrative Agent and Lenders shall have received such other documents, information or agreements regarding Loan Parties as the Administrative Agent may reasonably request.

SECTION III. REPRESENTATIONS AND WARRANTIES

In order to induce Lenders to enter into this Amendment and to amend the Credit Agreement in the manner provided herein, each Loan Party which is a party hereto represents and warrants to each Lender that the following statements are true and correct in all material respects:

A. Corporate Power and Authority. Each Loan Party, which is party hereto, has all requisite power and authority to enter into this Amendment and to carry out the transactions contemplated by, and perform its obligations under, the Credit Agreement as amended by this Amendment (the "Amended Agreement") and the other Loan Documents.

B. Authorization of Agreements. The execution and delivery of this Amendment and the performance of the Amended Agreement and the other Loan Documents have been duly authorized by all necessary action on the part of each Loan Party.

C. No Conflict. The execution and delivery by each Loan Party of this Amendment and the performance by each Loan Party of the Amended Agreement and the other Loan Documents do not and will not (i) violate (A) any provision of any law, statute, rule or regulation, or of the certificate or articles of incorporation or partnership agreement, other constitutive documents or by-laws of Holdings, the Borrower or any Loan Party or (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under any Contractual Obligation of the applicable Loan Party, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section III.C., individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, (iii) except as permitted under the Amended Agreement, result in or require the creation or imposition of any Lien upon any of the properties or assets of each Loan Party (other than any Liens created under any of the Loan Documents in favor of Administrative Agent on behalf of Lenders), or (iv) require any approval of stockholders or partners or any approval or consent of any Person under any Contractual Obligation of each Loan Party, except for such approvals or consents which will be obtained on or before the Fifth Amendment Effective Date and except for

any such approvals or consents the failure of which to obtain will not have a Material Adverse Effect.

D. Governmental Consents. No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the execution and delivery by each Loan Party of this Amendment and the performance by the Borrower and Holdings of the Amended Agreement and the other Loan Documents, except for such actions, consents and approvals the failure to obtain or make which could not reasonably be expected to result in a Material Adverse Effect or which have been obtained and are in full force and effect.

E. Binding Obligation. This Amendment and the Amended Agreement have been duly executed and delivered by each of the Loan Parties party thereto and each constitutes a legal, valid and binding obligation of such Loan Party to the extent a party thereto, enforceable against such Loan Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

F. Incorporation of Representations and Warranties from Credit Agreement. The representations and warranties contained in Article IV of the Amended Agreement are and will be true and correct in all material respects on and as of the Fifth Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

G. Absence of Default. No event has occurred and is continuing or will result from the consummation of the transactions contemplated by this Amendment that would constitute an Event of Default or a Default.

SECTION IV. ACKNOWLEDGMENT AND CONSENT

Each Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Credit Agreement and this Amendment and consents to the amendment of the Credit Agreement effected pursuant to this Amendment. Each Guarantor hereby confirms that each Loan Document to which it is a party or otherwise bound and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Loan Documents the payment and performance of all "Obligations" under each of the Loan Documents to which is a party (in each case as such terms are defined in the applicable Loan Document).

Each Guarantor acknowledges and agrees that any of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Amendment. Each Guarantor represents and warrants that all representations and warranties contained in the Amended Agreement and the Loan Documents to which it is a party or otherwise bound are true and correct in all material respects on and as of the

Fifth Amendment Effective Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case they were true and correct in all material respects on and as of such earlier date.

Each Guarantor acknowledges and agrees that (i) notwithstanding the conditions to effectiveness set forth in this Amendment, such Guarantor is not required by the terms of the Credit Agreement or any other Loan Document to consent to the amendments to the Credit Agreement effected pursuant to this Amendment and (ii) nothing in the Credit Agreement, this Amendment or any other Loan Document shall be deemed to require the consent of such Guarantor to any future amendments to the Credit Agreement.

SECTION V. MISCELLANEOUS

A. Reference to and Effect on the Credit Agreement and the Other Loan Documents.

(i) On and after the Fifth Amendment Effective Date, each reference in the Credit Agreement to “this Amendment”, “hereunder”, “hereof”, “herein” or words of like import referring to the Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(ii) Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

(iii) The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or Lender under, the Credit Agreement or any of the other Loan Documents.

B. Headings. Section and Subsection headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose or be given any substantive effect.


C. Applicable Law. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

D. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.


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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

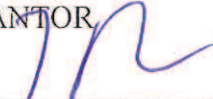
SP NEWSPRINT CO., LLC, AS
BORROWER

By: 
Name: TIM BUTLER
Title: VP FINANCE + TREASURER


SP NEWSPRINT HOLDINGS LLC, AS
GUARANTOR

By: 
Name: TIM BUTLER
Title: VP FINANCE + TREASURER

SP RECYCLING CORPORATION, AS
GUARANTOR

By: 
Name: TIM BUTLER
Title: VP FINANCE + TREASURER

SEP TECHNOLOGIES, L.L.C., AS
GUARANTOR

By: 
Name: TIM BUTLER
Title: VP FINANCE + TREASURER

GENERAL ELECTRIC CAPITAL
CORPORATION,
AS LENDER

By: 

Name:

Title:

Anthony Ciraulo
Duly Authorized Signatory

AVENUE INVESTMENTS, LP, AS LENDER

By: _____
Name: *Sonia Gardner*
Title: *Member*