

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

In re:)	Chapter 11
Philadelphia Newspapers, LLC, <i>et al.</i> , ¹)	Case No. 09-11204 (SR)
Debtors.)	Jointly Administered

ORDER APPROVING: (I) FIRST AMENDED DISCLOSURE STATEMENT WITH RESPECT TO FIRST AMENDED CHAPTER 11 PLAN DATED AS OF OCTOBER 27, 2009; (II) PROCEDURES FOR THE SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE FIRST AMENDED PLAN; AND (III) RELATED NOTICE AND OBJECTION PROCEDURES

Upon the motion (the "Motion"²) of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for the entry of an order approving: (1) the Disclosure Statement; (2) procedures for the solicitation and tabulation of votes to accept or reject the Plan; and (3) related notice and objection procedures; it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates and other parties in interest; the Court having jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; the Debtors having filed with the Court the Disclosure Statement and the Plan (in each case as amended as of the date hereof); the Disclosure Statement Hearing Notice having been served on the Debtors' creditors and equity security holders; the Court having reviewed the Disclosure Statement, the Motion, the papers in support thereof and the responses thereto, if any;

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: PMH Acquisition, LLC (1299), Broad Street Video, LLC (4665), Philadelphia Newspapers, LLC (3870), Philadelphia Direct, LLC (4439), Philly Online, LLC (5185), PMH Holdings, LLC (1768), Broad Street Publishing, LLC (4574), Philadelphia Media, LLC (0657) and Philadelphia Media Holdings, LLC (4680).

² Each capitalized term used but not otherwise defined herein shall have the meaning ascribed thereto in the Motion.

and upon such documents and the record established at the Disclosure Statement Hearing, the Court having found and determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein and that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY FOUND THAT:

A. The Disclosure Statement Hearing Notice was properly served upon the Debtors' creditors and equity security holders.

B. The Disclosure Statement filed in the Chapter 11 Cases as Docket Number 1323 (as the same may have been amended and/or revised from time to time, including in connection with the Disclosure Statement Hearing) contains "adequate information" within the meaning of section 1125 of title 11 of the Bankruptcy Code.

C. The form of notice of non-voting status ("Notice of Non-Voting Status") to be sent to holders of claims and interests in Classes 1, 2, 8 and 9, substantially in the form annexed hereto as **Exhibit 1**, complies with Bankruptcy Rule 3017, and adequately addresses the particular needs of the Chapter 11 Cases.

D. The forms of the Ballots annexed hereto as **Exhibit 2** are substantially consistent with Official Form No. 14, adequately address the particular needs of the Chapter 11 Cases, and are appropriate for each Class of Claims entitled to vote to accept or reject the Plan.

E. The Ballots require the furnishing of sufficient information to assure that duplicate Ballots are not submitted and tabulated and that Ballots reflect the votes of creditor or equity holders.

F. Ballots need not be provided to the Holders of Claims in Classes 1 and 2 because the Plan provides that such Classes are unimpaired and, therefore, deemed to accept the Plan.

G. Ballots need not be provided to the Holders of Interests and Claims in Classes 8 and 9 because the Plan provides that such Holders will not receive or retain any property under the Plan on account of such Interests and Claims and, therefore, are deemed to reject the Plan on account of such Interests and Claims.

H. The period set forth below during which the Debtors may solicit acceptances to the Plan is a reasonable and adequate period of time for creditors to make an informed decision to accept or reject the Plan.

I. The procedures for the solicitation and tabulation of votes to accept or reject the Plan (as more fully set forth in the Motion and below) provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

J. The Confirmation Hearing Notice substantially in the form annexed hereto as **Exhibit 3**, the procedures set forth below for providing notice to all creditors and equity security holders of the time, date and place of the Confirmation Hearing, and the contents of the Solicitation Packages comply with rules 2002 and 3017 of the Bankruptcy Rules and constitute sufficient notice to all interested parties.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Disclosure Statement is approved.
3. October 30, 2009 is established as the Distribution Record Date for purposes of this Order and determining the creditors who are entitled to vote for or against the Plan.

4. The Debtors are directed to distribute or cause to be distributed Solicitation Packages to all Holders of Claims in Classes (and Subclasses, as applicable) 3, 4, 5, 6 and 7 (collectively, the “Voting Classes”), including: (a) all persons or entities identified in the Debtors’ Schedules as holding liquidated, noncontingent and undisputed Claims in an amount greater than zero dollars, excluding scheduled Claims that have been paid in full or superseded by filed proofs of claim; (b) all parties having timely filed proofs of claim, as reflected in the official claims register maintained by The Garden City Group, Inc. (the “Voting Agent”) (i) in an amount greater than zero and (ii) that have not been disallowed or expunged prior to November 6, 2009 (the “Solicitation Date”); (c) the assignee of a transferred and assigned Claim (whether a filed or scheduled Claim) whose transfer and assignment has been properly noted on the Court’s docket and is effective pursuant to Bankruptcy Rule 3001(e) as of the close of business on the Distribution Record Date and whose claims have not been disallowed or expunged prior to the Solicitation Date; (d) any other known Holders of Claims as of the Distribution Record Date; and (e) each prepetition senior secured lender, as of the Record Date, identified by Citizens Bank of Pennsylvania, as Agent to the prepetition senior secured lenders.

5. The Solicitation Packages shall contain copies of: (a) a cover letter describing the contents of the Solicitation Package; (b) the Approval Order (without exhibits); (c) the Confirmation Hearing Notice (as defined below); (d) an appropriate form of Ballot together with a pre-addressed, postage prepaid return envelope addressed to the Garden City Group, Inc., Attn: Philadelphia Newspapers, LLC Voting Agent, P.O. Box 9000 #6528, Merrick, NY 11566-9000; and (e) the Disclosure Statement (together with the Plan annexed thereto and all other appendices).

6. The form of Notice of Non-Voting Status, substantially in the form annexed hereto as **Exhibit 1** is approved and shall be distributed to Holders, as of the Distribution Record Date, of: (a) unimpaired Claims in Classes 1 and 2, which classes are deemed to accept the Plan, and (b) Interests and Claims in Classes 8 and 9, which Classes are deemed to reject the Plan.

7. The Confirmation Hearing Notice substantially in the form annexed hereto as **Exhibit 3** is approved and (together with a copy of this Order without exhibits) shall be transmitted to all creditors and equity security holders of the Debtors.

8. With respect to addresses from which notices of the hearing to approve the Disclosure Statement were returned as undeliverable by the United States Postal Service: (a) the Debtors are excused from distributing Solicitation Packages and/or Notices of Non-Voting Status to those entities listed at such addresses unless the Debtors are provided with accurate addresses for such entities at least one Business Day prior to the Solicitation Date; and (b) failure to distribute Solicitation Packages to such entities will not constitute inadequate notice of the Confirmation Hearing, the Voting Deadline (as defined below) or violation of Bankruptcy Rule 3017(d).

9. The Debtors are not required to distribute Solicitation Packages, Ballots, copies of the Disclosure Statement or Plan or any other notices to: (a) parties to executory contracts who do not hold either Allowed (for voting or otherwise) Claims or filed or scheduled Claims listed as contingent, unliquidated or disputed; or (b) Holders of Claims that have not been classified in the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

10. Except as otherwise provided herein, to be counted as a vote to accept or reject the Plan, each Ballot must be properly executed, completed and the original thereof delivered

to the Voting Agent so as to be actually received by the Voting Agent no later than 5:00 p.m. (prevailing Eastern Time) on December 1, 2009 (the "Voting Deadline").

11. The Debtors may extend the Voting Deadline, if necessary, with approval of this Court after notice and a hearing, to a date that is no later than five (5) Business Days before the Confirmation Hearing.

12. Solely for purposes of voting to accept or reject the Plan, not for the purposes of the allowance of or distribution on account of a Claim, and without prejudice to the rights of the Debtors in any other context, each Claim within a Class of Claims entitled to vote to accept or reject the Plan shall be entitled to vote the amount of such Claim as set forth in the Schedules (as may be amended from time to time) unless such Holder has timely filed a proof of claim, in which event such Holder would be entitled to vote the amount of such Claim as set forth in such proof of claim:

- a. If a Claim is deemed "Allowed" under the Plan or an order of the Court, such Claim shall be Allowed for voting purposes in the deemed "Allowed" amount set forth in the Plan or the Court's order;
- b. If a Claim for which a proof of claim has been timely filed is contingent, unliquidated or disputed, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at \$1.00, and the Ballot mailed to the Holder of such Claim shall be marked as voting at \$1.00;
- c. If a Claim is partially liquidated and partially unliquidated, the Claim shall be Allowed for voting purposes only in the liquidated amount;
- d. If a Claim has been estimated or otherwise Allowed for voting purposes by order of the Court, such Claim shall be temporarily Allowed in the amount so estimated or Allowed by the Court for voting purposes only, and not for purposes of allowance or distribution;
- e. If a Claim is listed in the Schedules as contingent, unliquidated or disputed and a proof of claim was not (i) filed by the applicable bar date for the filing of proofs of claim established by the Court or (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, then, unless the Debtors have consented in writing to Allow such Claim for voting purposes, such Claim shall be disallowed

for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c);

- f. If the Debtors have filed an objection to a Claim no later than November 20, 2009, such Claim shall be temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such objection; and
- g. Notwithstanding anything to the contrary contained herein, any creditor who has filed or purchased duplicate Claims (whether against the same or multiple Debtors) that are classified under the Plan in the same Class, shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Debtors have objected to such duplicate Claims.

13. If any claimant seeks to challenge the disallowance of its Claim for voting purposes in accordance with the above procedures, such claimant is directed to serve on counsel for Debtors and file with the Court no later than **December 1, 2009, at 5:00 p.m.**, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a different amount for purposes of voting to accept or reject the Plan.

14. As to any creditor filing a motion pursuant to Bankruptcy Rule 3018(a), such creditor's Ballot shall not be counted unless temporarily Allowed by the Court for voting purposes after notice and a hearing.

15. If a creditor casts more than one Ballot voting the same claim(s) before the Voting Deadline, the last Ballot received before the Voting Deadline is deemed to reflect the voter's intent and, thus, to supersede any prior Ballots.

16. Creditors with multiple Claims within a particular Class must vote all of their Claims within a particular Class under the Plan either to accept or reject the Plan and may not split their votes, and thus neither (i) any Ballot that partially rejects and partially accepts the Plan nor (ii) any Ballot filed by a creditor with multiple Claims within a Class who votes inconsistently will be counted.

17. Any Ballot that is properly completed, executed and timely returned to the Voting Agent but does not indicate an acceptance or rejection of the Plan or indicates both an acceptance and a rejection of the Plan, shall not be counted.

18. Any Ballot actually received by the Voting Agent after the Voting Deadline shall not be counted unless the Debtors granted an extension of the Voting Deadline with respect to such Ballot.

19. Any Ballot that is illegible or contains insufficient information to permit the identification of the claimant shall not be counted.

20. Any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan shall not be counted.

21. Any Ballot cast for a Claim identified as unliquidated, contingent or disputed and for which no proof of claim was timely filed shall not be counted.

22. Any unsigned Ballot or non-originally signed Ballot shall not be counted.

23. Any Ballot sent directly to any of the Debtors, their agents (other than the Voting Agent), or the Debtors' financial or legal advisors or to any party other than the Voting Agent shall not be counted.

24. Any Ballot cast for a Claim that has been disallowed (for voting purposes or otherwise) shall not be counted.

25. Any Ballot transmitted to the Voting Agent by facsimile or other electronic means shall not be counted.

26. The Debtors may reject any and all Ballots, the acceptance of which, in the opinion of the Debtors and subject to this Court's review, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules.

27. None of the Debtors, the Voting Agent or any other person or entity shall be under any duty to provide notification of defects or irregularities with respect to delivered Ballots, nor shall the Debtors, the Voting Agent or any other person or entity incur any liability for failure to provide such notification.

28. The Voting Agent may disregard any and all defective ballots and provide notice thereof in the vote tabulation certification.

29. The Debtors will file the plan supplement and all exhibits to the Plan with the Court and make them available for review on the Debtors' case web site at <http://www.pnreorg.com> no later than **November 25, 2009**.

30. The Confirmation Hearing will be held at 1:00 p.m. (prevailing Eastern Time) on **December 4, 2009**; *provided, however*, that the Confirmation Hearing may be adjourned from time to time by the Court or the Debtors without further notice to parties other than an announcement in Court at the Confirmation Hearing or any adjourned Confirmation Hearing.

31. The Debtors shall publish the Confirmation Hearing Notice on or before November 6, 2009 in *The Wall Street Journal* (National Edition), electronically on www.pnreorg.com and in selected of the Debtors' publications.

32. Objections to confirmation of the Plan or proposed modifications to the Plan, if any, must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules; (c) state the name and address of the objecting party and the amount and nature of the Claim or Interest of such party; (d) state with particularity the basis and nature of any objection to the Plan; and (e) be filed, together with proof of service, with the Court electronically in accordance with the Case Management Order and served on the parties listed in the

Confirmation Hearing Notice, on or before 5:00 p.m. (prevailing Eastern Time) on **December 1, 2009**.

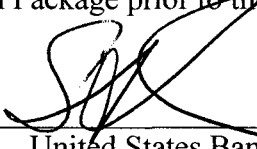
33. Objections to confirmation of the Plan not timely filed and served in the manner set forth above may not be considered and may be overruled.

34. No later than **December 3, 2009**, the Debtors shall file: (a) any consolidated reply to any objections to the Plan; and (b) the vote tabulation certification.

35. The Debtors are authorized to take or refrain from taking any action and expending such funds necessary or appropriate to implement the terms of and the relief granted in this Order without seeking further order of the Court.

36. The Debtors are authorized to make nonsubstantive changes to the Disclosure Statement, Plan, Ballots, the Confirmation Hearing Notice, any other notice related to the Plan or Disclosure Statement and all exhibits and appendices to any of the foregoing without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes among the Disclosure Statement, the Plan and any other materials in the Solicitation Package prior to their distribution.

Dated: October ^{30th}~~30~~, 2009
Philadelphia, Pennsylvania



United States Bankruptcy Judge