

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

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

**STIPULATION AND AGREED ORDER RESOLVING THE CLAIMS OF THE  
PENSION BENEFIT GUARANTY CORPORATION**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) and PN Purchaser Co, LLC (the “Purchaser” and, together with the Debtors, the “Plan Proponents”) and the Pension Benefit Guaranty Corporation on behalf of the Philadelphia Newspapers, LLC CWA Union 14199 Pension Fund (the “PBGC”, together with the Debtors and the Purchaser, the “Parties” and each a “Party”), by and through their respective attorneys, hereby enter into this Stipulation and Agreed Order and represent and agree as follows:

**RECITALS**

WHEREAS, on February 22, 2009 (the “Petition Date”), the Debtors, other than Debtor Philadelphia Media Holdings LLC (“PMH”), commenced these voluntary cases (the “Chapter 11 Cases”) by filing petitions for relief under chapter 11 of the Bankruptcy Code. PMH filed its petition for relief under chapter 11 of the Bankruptcy Code on June 10, 2009;

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: Philadelphia Media Holdings, LLC (4680), 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) and Philadelphia Media, LLC (0657).

WHEREAS, on August 20, 2009, the Debtors filed their Joint Chapter 11 Plan [*Docket No. 947*] and related Disclosure Statement [*Docket No. 946*], wherein the Debtors proposed to sell (the “Sale”) substantially all of their assets to Philly Papers, LLC (the “Stalking Horse”), or to such other bidder submitting a higher or better offer (the “Successful Bidder”), pursuant to an asset purchase agreement that was attached to *Docket No. 946* as Appendix E (as amended from time to time, the “Stalking Horse APA”);

WHEREAS, on May 13, 2010, the Debtors and Purchaser executed an Asset Purchase Agreement and agreed upon the principal material terms of the Second Amended Joint Chapter 11 Plan as of May 13, 2010 (the “Plan”, including all subsequent amendments thereto) [*Docket No 2060*]. On May 19, 2010, the Plan Proponents filed a further Plan and this Court entered an order approving the Second Supplement to the Disclosure Statement [*Docket No. 2090*]. On June 24, 25 and 28, 2010, this Court conducted a confirmation hearing on the Plan. After receiving testimony and legal argument, the Court confirmed the Plan in a bench ruling, and followed the bench ruling with the confirmation order (which adopts and incorporates the bench ruling) (Order Confirming Fourth Amended Joint Chapter 11 Plan as of June 28, 2010) [*Docket No. 2253*];

WHEREAS, on July 2, 2010, this Court entered that certain *Amended Order Pursuant to Section 503(a) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(3) Establishing Deadline for Filing Administrative Expense Claims Arising or Accrued From and After the Petition Date Through and Including July 1, 2010 and Approving the Form and Manner of Notice Thereof* (the “Administrative Claims Bar Date Order”) [*Docket No. 2295*]. The Administrative Claims Bar Date Order set August 2, 2010 at 5:00 p.m. as the deadline for filing administrative claims against the Debtors;

WHEREAS, on May 15, 2009, the PBGC filed 27 claims [*Claim Nos. 137-160, 578-580*] (the “PBGC Claims”) against the Debtors, essentially filing the exact same three claims against each of the nine Debtors;

WHEREAS, the PBGC filed an identical copy of an unfunded benefits liabilities claim against each of the nine Debtors<sup>2</sup>, seeking an administrative claim valued at \$10,340,763. The PBGC alleged that it is entitled to recover a deficiency from the Debtors pursuant to ERISA sections 4062 and 4068, 29 U.S.C. §§ 1362, 1368;

WHEREAS, the PBGC also filed the exact same minimum funding contribution claim against each of the nine Debtors<sup>3</sup>, alleging that it is entitled to recover minimum funding contributions in an unliquidated amount;

WHEREAS, the PBGC filed the exact same pension insurance premium claim against each of the nine Debtors<sup>4</sup>, alleging that it was entitled to recover an unliquidated amount of unpaid statutory premiums (insurance premiums) from Debtors pursuant to ERISA section 4007, 29 U.S.C. § 1307. The PBGC asserted that these claims are entitled to priority as administrative expenses to the extent such premiums arose during the administration of these Chapter 11 Cases and is a general unsecured claim as to the balance;

WHEREAS, on August 20, 2010, the Plan Proponents filed an *Objection to the Claims of the Pension Benefit Guaranty Corporation* (the “PBGC Claims Objection”) [*Docket No. 2456*];

**IT IS HEREBY STIPULATED, AGREED AND, UPON COURT APPROVAL HEREOF, IT SHALL BE ORDERED THAT:**

1. The above recitals are incorporated herein as if set forth fully at length.

---

<sup>2</sup> *Claim Nos. 137, 142, 143, 146, 149, 154, 157, 158, 580*

<sup>3</sup> *Claim Nos. 138, 140, 144, 148, 151, 152, 155, 159, 579*

<sup>4</sup> *Claim Nos. 139, 141, 145, 147, 150, 153, 156, 160, 578*

2. In full settlement of the PBGC Claims, the PBGC shall be granted one allowed Class 5 general unsecured claim in the amount of \$10,410,395, provided, however, this sentence is not binding on the Liquidating Trustee, which retains the right under section 8.05 of the Plan to object to Claims, including the Class 5 general unsecured claim asserted by the PBGC.

3. Each person who executes this Stipulation and Agreed Order on behalf of a Party hereto represents that he or she is duly authorized to execute this Stipulation and Agreed Order on behalf of such Party.

4. This Stipulation and Agreed Order may be executed with counterparty signature pages in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The Parties agree that this Stipulation and Agreed Order may be executed via facsimile or e-mail transmission and that this Stipulation and Agreed Order executed in such manner shall have full legal force.

5. Each party hereto agrees to execute any and all documents, and to do and perform any and all acts and things, upon request by the other, reasonably necessary or proper to effectuate or further evidence the terms and provisions of this Stipulation and Agreed Order.

6. The Plan Proponents and the PBGC shall each bear and be responsible for their own costs and attorneys' fees incurred in connection with the PBGC Claims and this Stipulation and Agreed Order.

7. The PBGC further understands, covenants and agrees that it will not enter, permit to be entered, cause to be entered, or directly or indirectly, file any suit, bring any claim, cause of action or proceeding against the Debtors or Purchasers concerning the PBGC Claims.

8. The Parties understand and agree that neither the making of this Stipulation and Agreed Order, nor anything contained herein, shall be construed or considered in any way to be an admission of guilt, wrongdoing or noncompliance with federal, state or local law, statute, order or regulation, the Bankruptcy Code, tortious act, breach of contract, or violation of common law, or any other wrong doing whatsoever.

9. This Stipulation and Agreed Order is the result of negotiations between the Parties, each of whom is represented by counsel of its choosing. Accordingly, the Parties agree that the normal rule of construction construing any ambiguity against the drafter shall not be employed in the interpretation of this Stipulation and Agreed Order or any amendment to it.

10. This Stipulation and Agreed Order constitutes the entire agreement between the Parties and may only be amended or otherwise modified by a signed writing executed by the Parties.

11. This Stipulation and Agreed Order shall be interpreted, construed and enforced exclusively in accordance with the laws of the State of Pennsylvania, except to the extent that the Bankruptcy Code applies.

12. The Court shall retain jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation and Agreed Order.

**AGREED TO BY:**

Dated: August 25, 2010  
Philadelphia, Pennsylvania

/s/ Abid Qureshi

**AKIN GUMP STRAUSS HAUER &  
FELD LLP**

Fred S. Hodara  
Abid Qureshi  
Alexis Freeman  
One Bryant Park  
New York, New York 10036  
Telephone: (212) 872-1000  
Facsimile: (212) 872-1002

-and-

**DRINKER BIDDLE & REATH LLP**

Andrew C. Kassner  
Andrew J. Flame  
One Logan Square  
Suite 2000  
Philadelphia, PA 19103-6996  
Telephone: (215) 988-2700  
Facsimile: (215) 988-2757

*Co-Counsel for the Purchaser*

/s/ Mark K. Thomas

**DILWORTH PAXSON LLP**

Lawrence G. McMichael  
Anne M. Aaronson  
Catherine G. Pappas  
1500 Market St., Suite 3500E  
Philadelphia, PA 19102  
Telephone: (215) 575-7000  
Facsimile: (215) 575-7200

-and-

**PROSKAUER ROSE LLP**

Mark K. Thomas  
Paul V. Possinger  
Peter J. Young  
Richard J. Corbi  
Three First National Plaza  
70 West Madison, Suite 3800  
Chicago, Illinois 60602-4342  
Telephone: (312) 962-3550  
Facsimile: (312) 962-3551

*Co-Counsel for the Debtors and Debtors in  
Possession*

/s/ Michael A. Maricco  
**PENSION BENEFIT GUARANTY  
CORPORATION**

Michael A. Maricco  
Attorney  
Office of the Chief Counsel  
1200 K Street, NW  
Washington, DC 20005-4026  
(202) 326-4000, ext. 3204

*Attorney for the PBGC*

**SO ORDERED:**

Dated: August \_\_\_\_, 2010  
Philadelphia, Pennsylvania

Entered: \_\_\_\_\_  
United States Bankruptcy Judge