

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

In re:

Creative Loafing, Inc.	Chapter 11 Case No. 8:08-bk-14939-CED [Lead Case]
CL Charlotte, Inc.	Case No. 8:08-bk-14950-CED
Weekly Planet of Sarasota, Inc.	Case No. 8:08-bk-14945-CED
Weekly Planet, Inc.	Case No. 8:08-bk-14943-CED
Creative Loafing Atlanta, Inc.	Case No. 8:08-bk-14947-CED
CL Chicago, Inc.	Case No. 8:08-bk-14953-CED
CL Washington, Inc.	Case No. 8:08-bk-14960-CED
Washington Free Weekly, Inc.	Case No. 8:08-bk-14961-CED
CL Birmingham, Inc.	Case No. 8:08-bk-14954-CED

Debtors.

(Jointly Administrated)

**DEBTORS' MOTION TO APPROVE
BIDDING PROCEDURES FOR AUCTION AND SALE OF
NEW CAPITAL STOCK PURSUANT TO CHAPTER 11 PLAN**
(Expedited Consideration Requested)

A Hearing on this Motion has been set for *July 29, 2009 at 11:45 a.m. (EST)* before the Honorable Caryl E. Delano, Courtroom 10B, Sam M. Gibbons United States Courthouse, 801 North Florida Avenue, Tampa, Florida.

Creative Loafing, Inc., CL Charlotte, Inc., Weekly Planet of Sarasota, Inc., Weekly Planet, Inc., Creative Loafing Atlanta, Inc., CL Chicago, Inc., CL Washington, Inc., Washington Free Weekly, Inc., and CL Birmingham, Inc. (collectively, "Debtors"), by counsel, hereby move for the entry of an order authorizing and approving the bidding procedures (the "Bid Procedures"), attached hereto as **Exhibit "A,"** that will govern the submission of bids to purchase one hundred percent (100%) of the new capital stock of the Reorganized Debtors (the "New CLI Stock") to be issued in connection with the confirmation of the Debtors' chapter 11 Plan at an equity auction (the "New Equity Auction"). In support of this Motion, the Debtors state as follows:

1. On September 29, 2008 (the “Petition Date”) the Debtors each filed a Voluntary Petition for Relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors continue to operate and manage their respective businesses as debtors-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

2. This Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A) and (L). Venue is proper under 28 U.S.C. § 1408 and 1409.

3. The statutory and procedural bases for the relief requested are Sections 105(a), 1127(a) and 1129(b)(2)(C)(ii) of the Bankruptcy Code and Fed.R.Bankr.P. 2002 and 3019.

4. On July 13, 2009, the Debtors filed their *Supplement to Third Amended Joint Disclosure Statement and Third Amended Joint Plan of Reorganization of Creative Loafing, Inc. and Affiliated Debtors* (Doc. No. 361) (the “Supplement”) which included Atalaya’s Stalking Horse Offer Term Sheet and the material terms of the proposed Bid Procedures (“Atalaya’s Stalking Horse Offer”).

5. This Court approved the modifications evidenced in the Supplement, that have now been incorporated into the Debtors’ *Fourth Amended Disclosure Statement in Connection with the Fourth Amended Joint Plan of Reorganization of Creative Loafing, Inc. and Affiliated Debtors* (Doc. No. 379) (the “Disclosure Statement”) and the Debtors’ *Fourth Amended Joint Plan of Reorganization of Creative Loafing, Inc. and Affiliated Debtors* (Doc. No. 378) (the “Plan”). With these modifications, the Bankruptcy Court approved the Debtors’ Disclosure Statement under Section 1125 of the Bankruptcy Code.

6. Additionally, the Bankruptcy Court set a hearing to consider approval of the proposed Bid Procedures for July 29, 2009 at 11:45 a.m. (EST) (the “Bid Procedures Hearing”),

and has scheduled the confirmation hearing on this matter for August 25, 2009 at 10:00 a.m. (the “Confirmation Hearing”).

7. Accordingly, the Debtors respectfully request the Bankruptcy Court approve the proposed Bid Procedures attached hereto as **Exhibit “A,”** including the form of the annexed Stalking Horse Purchase Agreement, which the Debtors believe are consistent with the requirements of Atalaya’s Stalking Horse Offer.

8. Because the New Equity Auction and the Bid Procedures are integral to confirmation of the Plan, and because the Debtors have begun solicitation of the Disclosure Statement and the Plan, the Debtors submit that “cause” exists for the shortened notice period requested in this Motion pursuant to Fed.R.Bankr.P. 2002 and 9006.

WHEREFORE, the Debtors request that this Court enter an Order approving the Bid Procedures attached as **Exhibit “A”** to this Motion and granting such other and further relief as the Court deems appropriate.

DATED this 28th day of July, 2009.

/s/ Chad S. Bowen

David S. Jennis

Florida Bar No. 775940

Chad S. Bowen

Florida Bar No. 0138290

Jennis & Bowen, P.L.

400 N. Ashley Dr., Ste. 2540

Tampa, FL 33602

Phone: (813) 229-1700 / Fax: (813) 229-1707

cbowen@jennisbowen.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to all parties who receive CM/ECF service in the normal course on this 28th day of July, 2009.

/s/ Chad S. Bowen _____

Chad S. Bowen

EXHIBIT “A”
PROPOSED NEW EQUITY BIDDING PROCEDURES¹

PROVISION	DESCRIPTION
<i>I. New CLI Stock to be Sold</i>	Newly issued shares representing one hundred percent (100%) of the capital stock of Reorganized Creative Loafing in the form of one or more series of preferred and/or common stock that will be authorized and issued pursuant to the Plan, and which shall be sold to the Successful Bidder pursuant to these New Equity Bidding Procedures and the Plan.
<i>II. Marketing Efforts</i>	<p>Upon approval of the New Equity Bidding Procedures, the Debtors will commence marketing efforts for the sale of the New CLI Stock in connection with the New Equity Auction. The Debtors shall, upon approval of the Bankruptcy Court, provide notice of the New Equity Bidding Procedures (including notice of the New Equity Auction) to:</p> <p>A. all entities known by the Debtors to have expressed an interest in a transaction with respect to the acquisition of the Debtors’ Assets or Equity Interests during the past six (6) months;</p> <p>B. all entities known by the Debtors to have asserted any Lien in the Collateral;</p> <p>C. other parties entitled to such service in the Debtors’ cases, including: (i) the Office of the U.S. Trustee; (ii) the Debtors’ pre-petition secured lenders or their counsel; (iii) creditors holding the twenty (20) largest unsecured claims against each Debtor as identified in each petition (or their legal counsel, if known); (iv) all Person(s) who have entered notices of appearance in the Debtors’ cases; and (v) such other entities as the Bankruptcy Court may direct.</p> <p>The Debtors intend to, but may not, seek Bankruptcy Court authorization to retain a professional in connection with conducting the marketing, bid evaluations, and sale process for the New CLI Stock. The Debtors also anticipate that their representatives and professionals shall assist in the marketing and due diligence efforts, as described below.</p>

¹ Unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them in the *Fourth Amended Joint Plan of Reorganization of Creative Loafing, Inc. and Affiliated Debtors*.

***III. Bidder
Qualifications and
Due Diligence***

All Person(s) who request access to due diligence information relating to the acquisition of the New CLI Stock (each a “Potential Bidder”) shall, upon written request to Debtors’ counsel at the address set forth below, be provided “Initial Due Diligence Materials” that shall include publicly available information regarding the Debtors such as:

- A copy of the Case Management Summary filed in the Bankruptcy Cases;
- A copy of the Fourth Amended Disclosure Statement and Fourth Amended Plan; and
- Copies of the Debtors’ filed Monthly Operating Reports.

The Debtors may, but shall not be obligated to, provide such other similar documents and information to Potential Bidders to assist them in determining if they are interested in participating in the bidding process and ultimately in the New Equity Auction.

Following the receipt and review of the Initial Due Diligence Materials, for those Person(s) who wish to submit a formal written bid for the acquisition of the New CLI Stock, such parties shall first be required to:

A. enter into a standard confidentiality agreement with the Debtors (the “Confidentiality Agreement”) similar to the form appended to these New Equity Bidding Procedures as **Attachment “A-1”**;

B. provide its most current audited financial statements, if available, or, if the Potential Bidder is an entity formed primarily for the purpose of acquiring the New CLI Stock, provide the current financial statements of the equity holder(s) of the proposed acquiring entity, or such other form of financial disclosure reasonably acceptable to the Debtors; provided, however, if the Potential Bidder (or its constituent equity holders, as applicable) have financial disclosures that are audited by outside accountants, the financial statements required hereby shall be audited financial statements, and in all events an authorized officer of the Potential Bidder shall certify that the financial statements required hereby are true and correct;

C. provide evidence reasonably acceptable to the Debtors that the Potential Bidder has the financial wherewithal to provide a New Equity Contribution having a value sufficient to at least meet the relevant Minimum Initial Overbid Requirements (defined below);

D. provide evidence reasonably acceptable to the Debtors that the Potential Bidder has the necessary operational wherewithal and experience to operate the Reorganized Debtors after the Effective Date;

E. provide evidence of the internal authorizations and approvals necessary for the Potential Bidder to engage in the bidding process, the New Equity Auction, and acquisition of the New CLI Stock without the consent of any entity that has not already been obtained;

F. provide an affidavit affirmatively stating, among other things, that the Potential Bidder is conducting its due diligence investigation in good faith and shall not use any knowledge, information, or materials acquired through that process for competitive advantage or other improper purposes, and is prepared to support the Reorganized Debtors' businesses and their operations for the indefinite future.

Within two (2) Business Days of each Potential Bidder's delivery of all of the materials and compliance with the requirements in the immediately preceding paragraphs, the Debtors shall notify such Potential Bidder in writing as to whether it shall be considered a "Qualified Bidder"; provided, however, that upon approval of the New Equity Bidding Procedures and the execution of a Confidentiality Agreement as described in Paragraph A of this Section III above, both Atalaya and the BIA Group (and each of its constituent members) shall automatically be deemed a Qualified Bidder upon posting of the required Good Faith Deposit.

Upon a Potential Bidder being deemed a Qualified Bidder, the Debtors shall promptly provide such Person(s) reasonable access to any additional due diligence information and/or materials compiled by the Debtors and/or that is reasonably requested by the Qualified Bidder, to include reasonable access to conduct interviews with the Debtors' senior management; provided, however, that in no event shall such due diligence inquiries cause unreasonable interference with the Debtors' operations or its employees' performance of their job functions (collectively, the "Additional Due Diligence Materials"). The Additional Due Diligence Materials shall include

	<p>such financial, operational, and other information as is reasonably necessary to allow each Qualified Bidder to assess and finalize their formulation of a Qualified Bid.</p>
<p>IV. Qualified Bids</p>	<p>Only those Qualified Bidders timely submitting bids complying with the following material terms (each a “<u>Qualified Bid</u>”) will be considered in connection with the New Equity Auction:</p> <p>A. Each Qualified Bidder wishing to make an overbid (each a “<u>Competing Bid</u>”) must do so by submitting a written bid in the form of a mark-up of the Stalking Horse Purchase Agreement (appended hereto as Attachment “A-2”) to reflect any amendments or modifications to such agreement (each a “<u>Proposed New Equity Purchase Agreement</u>”);</p> <p>B. Every Proposed New Equity Purchase Agreement must, at a minimum, comply with the following requirements (the “<u>Minimum Initial Overbid Requirements</u>”):</p> <ul style="list-style-type: none"> (i) provide for a New Equity Contribution having a value at least equal to Two Million Two Hundred Thousand Dollars (\$2,200,000.00) in exchange for the New CLI Stock; (ii) specifically delineate the nature of, and value ascribed to, any In-Kind Contribution comprising the proposed New Equity Contribution thereunder, and produce any operative documents, instruments or agreements that are a material component of the Competing Bid; (iii) To the extent the New Equity Contribution does not include a cash payment in an amount equal to Two Million Dollars (\$2,000,000.00), such Qualified Bidder must include projections and/or pro forma financial statements that reflect how the allocation of the New Equity Contribution will satisfy the Feasibility Threshold, as defined in the Plan, including how (a) the first allocation of the New Equity Cash Purchase Price shall supplement the Debtors’ Cash to the extent necessary to pay Allowed Administrative Claims and any Priority Tax Claims to be paid on the Effective Date pursuant to Article 3 of the Fourth Amended Plan; (b) the second allocation of the New Equity Cash Purchase Price shall pay Allowed Administrative Convenience Claims and Class 5 General Unsecured Claims to be paid on the Effective Date, and to fund the Insurance Claim Reserve, Rejection Claim Reserve, the Cure Claim Reserve, and the Disputed Claim Reserve; and (c) the method, manner,

and amounts allocated to establish the Working Capital Reserve;

(iv) to the extent a Competing Bid proposes to reject any executory contract or unexpired lease pursuant to 11 U.S.C. § 365, the corresponding Proposed New Equity Purchase Agreement shall specifically indentify those executory contracts and/or unexpired leases. Promptly following the Bid Deadline (defined below), the Debtors shall file a motion with the Court, which shall be heard by the Court on the same date as the Sale Hearing, identifying the executory contracts and unexpired leases that each of the Qualified Bidders has identified for rejection, and shall request the Bankruptcy Court's authorization for the rejection of those the executory contracts and unexpired leases identified by the Successful Bidder as part of its Successful Bid (the "Rejection Order");

(v) provide that the Qualified Bidder has consented to the core and exclusive jurisdiction of the Bankruptcy Court and to have waived any right to a jury trial in connection with any disputes relating to the New Equity Auction and/or the sale of the New CLI Stock; and

(vi) in compliance with, and for the purposes of, 11 U.S.C. § 1129(a)(5) of the Bankruptcy Code, provide the identity and affiliations of any individual proposed to serve as an officer, director, or voting trustee of the Reorganized Debtors upon the Effective Date if its proposed Qualified Bid is determined to be the Successful Bid (defined below) at the New Equity Auction. The Debtors shall not disclose such information other than (1) to the Bankruptcy Court as necessary to the Bankruptcy Cases, (2) to the Office of the U.S. Trustee upon request, or (3) as the Bankruptcy Court otherwise directs; provided, however, that no earlier than five (5) Business Days before and no later than three (3) Business Days before the date of the New Equity Auction, the terms and conditions of all Qualified Bids, including the proposed officers and directors, shall be disclosed to all other Qualified Bidders, the Bankruptcy Court for in camera review, and the Office of the U.S. Trustee.

C. The Proposed New Equity Purchase Agreement must also be accompanied by:

(i) to the extent not already provided in connection with becoming a Qualified Bidder, the balance of a refundable

deposit in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) or an amount equal to ten percent (10%) of the amount of the New Equity Contribution being offered in such Qualified Bid, whichever is greater (the “Good Faith Deposit”). Such Good Faith Deposit will be held by Debtors’ counsel (or some other third-party designated by the Debtors or the Bankruptcy Court) in a non-interest bearing escrow account pending completion of the New Equity Auction and the announcement of the Successful Bid and the Alternative Successful Bid (defined below). The Debtors shall return the Good Faith Deposit to Qualified Bidder(s) that did not submit the Successful Bid or the Alternative Successful Bid as provided in these New Equity Bidding Procedures. The Debtors shall return the Good Faith Deposit of the Qualified Bidder that submitted the Alternative Successful Bid no later than three (3) Business Days after the consummation of the sale of the New CLI Stock to the Successful Bidder;

(ii) evidence reasonably satisfactory to the Debtors demonstrating that the Qualified Bidder (a) has the financial wherewithal to close and consummate the transaction proposed by its Competing Bid on or before eleven (11) days following the entry of the Bankruptcy Court Order approving the Sale of the New CLI Stock pursuant to such Competing Bid, including without limitation the source(s) of the proposed New Equity Cash Purchase Price and any In-Kind Contribution, (b) does not require any additional corporate action to timely consummate the Sale of the New CLI Stock pursuant to such Competing Bid, and (c) can provide adequate assurance of future performance of the Debtors’ obligations under the assumed contracts and leases contemplated by such Competing Bid;

(iii) an affidavit or declaration under penalty of perjury that, among other things, affirmatively (a) sets forth the identity of the Qualified Bidder, the contact information for such Qualified Bidder, and full disclosure of any affiliations or relationships between the Qualified Bidder, the Debtors, and any of the Debtors’ Creditors in these bankruptcy cases (to be similar to the disclosures contemplated under Fed.R.Bankr.P. 2014 and 2016); (b) states that the Qualified Bidder is making a firm offer to purchase the New CLI Stock upon the terms and conditions set forth in the Proposed New Equity Purchase Agreement; (c) states the Qualified Bidder’s good faith estimate value of each item of non-cash consideration the Qualified Bidder proposes to pay under the Proposed New Equity Purchase Agreement and the basis and/or methodology

for determining that value; (d) affirms the transfer of the Qualified Bidder's Good Faith Deposit (defined below), affirms that such Good Faith Deposit is subject to the terms and conditions set forth in the New Equity Bidding Procedures, and affirms that such Good Faith Deposit is subject to the exclusive jurisdiction of the Bankruptcy Court; and (e) provides the Qualified Bidder's consent to these New Equity Bidding Procedures;

(iv) Because the New CLI Stock issued under the Fourth Amended Plan will likely not be exempt under Section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law, an affidavit or declaration under penalty of perjury that: (a) fully and accurately discloses the identity and affiliations of all Persons who are officers, investors, directors, owners, and/or Insiders (as that term is used in 11 U.S.C. § 101(31)) of such Qualified Bidder, (b) the Qualified Bidder acknowledges that the New CLI Stock will be a "restricted security" under the Securities Act; (c) identifies and describes the material terms of any agreement between the Qualified Bidder and any other Person, regardless of how such agreement is denominated or structured, that contemplates the sale, resale, or transfer of securities in connection with issuance of the New CLI Stock; (d) the Qualified Bidder acknowledges that the New CLI Stock is not registered under the Securities Act or under any "blue sky" laws; (e) any New CLI Stock being acquired under the Fourth Amended Plan by the Qualified Bidder is for its own account and not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof in any transaction that would be in violation of state or federal securities laws or that would require the issuance of the New CLI Stock under the Fourth Amended Plan to be registered under the Securities Act; and (f) provides an affirmation under penalty of perjury, includes an opinion of counsel, or provides some other reasonably acceptable evidence conclusively demonstrating that the Qualified Bidder is an "accredited investor" under Rule 501(a) of Regulation D promulgated under the Securities Act;

(v) other evidence as may be reasonably satisfactory to the Debtors demonstrating that the proposed Qualified Bid meets the Minimum Overbid Requirements to constitute a Qualified Bid.

D. Qualified Bids may also include such additional information and/or documents as the Qualified Bidder believes may

demonstrate that such bid offers the highest return after consideration of any negative adjustments due to the Qualified Bidder's mark-up of the Stalking Horse Purchase Agreement.

E. Additionally, each Competing Bid must meet each of the following requirements to be considered a Qualified Bid entitling a Qualified Bidder to participate in the New Equity Auction:

(i) Each bid must satisfy the Minimum Initial Overbid Requirements and other requirements set forth above;

(ii) Each bid must constitute a good faith, bona fide offer to acquire the New CLI Stock in exchange for the proposed New Equity Contribution on the Effective Date;

(iii) Except for the reasonable approval of the Court's order approving the sale, including the Rejection Order, each bid shall not be conditioned on any terms or conditions, following the Bid Deadline (described below) including, but not limited to, any of the following: financing, regulatory approval, shareholder approval, investment committee, any other approval, and/or the outcome of any due diligence by the Qualified Bidder;

(iv) Each Qualified Bidder must specifically waive all due diligence contingencies and financing contingencies by no later than the Bid Deadline (described below);

(v) Qualified Bids submitted on or before the Bid Deadline, as increased by a Qualified Bidder at the New Equity Auction, shall remain open and irrevocable through the conclusion of a hearing to approve the sale of the New CLI Stock (the "Sale Hearing") as provided in these New Equity Bidding Procedures; provided, however, that such Qualified Bids may establish a date not earlier than Friday September 4, 2009 by which such offer expires by its own terms regardless of whether the Sale Hearing has concluded by that time, unless the Qualified Bid becomes the Successful Bid or the Alternative Successful Bid, as defined below. Acceptance of a bid shall, in all respects, be subject to the entry of a Final Order of the Bankruptcy Court.

F. Notwithstanding the requirements set forth in paragraphs B through D of this Section IV, after providing to the Debtors' counsel the information required by paragraphs B(iv)-(vi), C(ii)-

	<p>(iv) of this Section IV, and an acknowledgement of the requirements of paragraph (E) of this Section IV, the bid made by Atalaya and any subsequent overbid made by Atalaya shall constitute a Qualified Bid for all purposes related to the New Equity Bidding Procedures. The Debtors agree that Atalaya shall be deemed to have satisfied the requirements of paragraph C(ii)(a) and (c) by providing a letter from a bank confirming that Atalaya has available funds on deposit with such bank in an amount in excess of Two Million Dollars (\$2,000,000) and through Atalaya's commitment to provide the working capital financing facility as set forth in the Atalaya Stalking Horse Term Sheet.</p>
<i>V. Bid Deadline</i>	<p>Bids must be actually received by August 20, 2009 at 4:00 p.m. Eastern Time (the "<u>Bid Deadline</u>"). Only those parties who submit Qualified Bids on or prior to the Bid Deadline shall be permitted participate in the New Equity Auction. Any dispute about whether a bid is a timely submitted Qualified Bid shall be determined by the Bankruptcy Court prior to the New Equity Auction.</p>
<i>VI. Notice of Auction</i>	<p>Upon approval by the Bankruptcy Court, a notice reflecting the time and place of the New Equity Auction shall be served (potentially with these New Equity Bidding Procedures) upon the following entities:</p> <p>A. all entities known by the Debtors to have expressed an interest in a transaction with respect to the acquisition of the Debtors' Assets or Equity Interests during the past six (6) months;</p> <p>B. all entities known by the Debtors to have asserted any Lien in the Collateral;</p> <p>C. all other parties entitled to service in the Debtors' Bankruptcy Cases, including: (i) the Office of the U.S. Trustee; (ii) the Debtors' pre-petition and post-petition secured lenders or their counsel; (iii) creditors holding the twenty (20) largest unsecured claims against each Debtor as identified in each petition (or their legal counsel, if known); (iv) all entities that have entered notices of appearance in the Debtors' Bankruptcy Cases; and (v) such other entities as the Bankruptcy Court may direct.</p>
<i>VII. New Equity Auction</i>	<p>If the Debtors receive one or more Qualified Bids by the Bid Deadline, the Debtors shall conduct an auction (the "<u>New Equity Auction</u>") on August 25, 2009 before the Honorable Caryl E. Delano, in Courtroom 10B at the Bankruptcy Court for the Middle District of Florida, Tampa, Division, Sam M. Gibbons</p>

	<p>United States Courthouse, 801 N. Florida Avenue, Tampa, Florida 33602, beginning at 10:00 a.m. (EST) Bidding at the New Equity Auction will commence with the Qualified Bid received by the Debtors that offers the highest return after consideration of any negative adjustments due to the Qualified Bidder’s mark-up of the Stalking Horse Purchase Agreement (as determined by the Bankruptcy Court). Thereafter, bidding at the New Equity Auction shall continue in bidding increments of not less than Fifty Thousand Dollars (\$50,000.00) until all Qualified Bidders have made their final and best offers for the purchase of the New CLI Stock.</p> <p>If, however, no such Qualified Bid other than that of the Stalking Horse Offer is received by the Bid Deadline, the Debtors will report the same to the Bankruptcy Court, whereupon the Bankruptcy Court shall declare Atalaya the Successful Bidder and will proceed with confirmation of the Plan and approval of the transaction pursuant to the Stalking Horse Purchase Agreement, subject to entry of the Sale Approval Order.</p>
<p><i>VIII. Successful Bid</i></p>	<p>Upon completion of the New Equity Auction for the New CLI Stock, the Successful Bid shall be the Qualified Bid that offers the highest return after consideration of any negative adjustments due to the Qualified Bidder’s mark-up of the Stalking Horse Purchase Agreement (the “<u>Successful Bid</u>”) and the next highest bid shall be the Alternative Successful Bid (the “<u>Alternative Successful Bid</u>”). The Debtors will present the Successful Bid and the Alternative Successful Bid to the Bankruptcy Court for approval in connection with the hearing to consider confirmation of the Debtors’ Plan (the “<u>Confirmation Hearing</u>”).</p> <p>No later than the Closing Date, the Successful Bidder shall transfer in full to the Reorganized Debtors the New Equity Contribution and complete and execute all agreements contracts, instruments, or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made, including, without limitation, the Proposed New Equity Purchase Agreement.</p>
<p><i>IX. Bids to Remain Open and Binding</i></p>	<p>Each Qualified Bid shall remain open and binding on the Qualified Bidders until such time as the Bankruptcy Court selects the Successful Bid and the Alternative Successful Bid. Each of the Successful Bid and the Alternative Successful Bid shall remain open and binding on Qualified Bidders until the later of (i) such time as the Debtors consummate the transaction contemplated by the Successful Bid, or (ii) until twenty-five (25) days after the</p>

	<p>conclusion of the entry of the Sale Approval Order. In the event a transaction contemplated by the Successful Bid does not close within thirteen (13) days following entry of the Sale Approval Order, by the close of business on the fourteenth (14th) day following entry of the Sale Approval Order, the Debtors shall notify the Qualified Bidder making the Alternative Successful Bid of its right to close the transaction contemplated by the Alternative Successful Bidder within ten (10) days thereafter.</p>
<i>X. Return or Credit of Deposit</i>	<p>Any bidder that is not deemed the Successful Bidder or Alternative Successful Bidder at the New Equity Auction shall be entitled to a return of its Good Faith Deposit within three (3) Business Days following the conclusion of the New Equity Auction. The failure of the Successful Bidder (and/or Alternative Successful Bidder, as applicable) to close on the transaction as and when required shall result in the forfeiture of its respective Good Faith Deposit as liquidated damages. The Good Faith Deposit of the Successful Bidder (or Alternative Successful Bidder, if applicable) shall be applied as a credit to the New Equity Contribution.</p>
<i>XI. Expenses</i>	<p>In the event the Stalking Horse Offer is not selected as the Successful Bid at the New Equity Auction, there shall be no “break-up fee,” reimbursement of “break-up” expenses, or other such amounts paid to the maker of the Stalking Horse Offer.</p>
<i>XII. Sale Approval Hearing</i>	<p>Following the selection of the Successful Bid, the Bankruptcy Court shall conduct the Sale Hearing to consider and approve the sale of the New CLI Stock. The Bankruptcy Court may hold such hearing in conjunction with the Confirmation Hearing.</p> <p>The Bankruptcy Court shall conduct the New Equity Auction, Sale Hearing, and Confirmation Hearing on the same day, August 25, 2009 beginning at 10:00 a.m. (EST). Subject to the satisfaction or appropriate waiver of the conditions to Closing (defined below) in the Stalking Horse Purchase Agreement with the Successful Bidder, Closing is expected to occur on or before eleven (11) days after entry of the Sale Approval Order.</p>
<i>XIII. Closing</i>	<p>Subject to the terms and conditions set forth herein, the consummation of the transactions contemplated hereby (the “<u>Closing</u>”) shall take place on the date as soon as practicable following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the transactions contemplated by the Proposed New Equity Purchase Agreement (other than conditions with respect to actions the respective parties</p>

	<p>will take at the Closing itself) as Debtors and the Successful Bidder may mutually determine, but, unless otherwise agreed, no later than eleven (11) days following the entry of a Final Order approving the sale of the New CLI Stock to the Successful Bidder (the “<u>Closing Date</u>”). The effective date of the consummation of the transactions contemplated by the Proposed New Equity Purchase Agreement shall be the Closing Date.</p>
<p><i>XIV. Bankruptcy Court Approval Required</i></p>	<p>The Bankruptcy Court may amend, modify, and/or supplement the Bidding Procedures in connection with the Debtors’ request for their approval.</p>
<p><i>XV. Notices</i></p>	<p>For purposes of these New Equity Bidding Procedures, for purposes of providing written notice, the following shall apply unless otherwise ordered by the Bankruptcy Court:</p> <ul style="list-style-type: none"> • If to Debtors’ counsel: David Jennis and Chad Bowen Jennis & Bowen, P.L. 400 North Ashley, Suite 2540 Tampa, Florida 33602 Telephone: (813) 229-1700 • If to Debtors: Ben Eason and Angela Lafon Creative Loafing, Inc. 810 North Howard Avenue Tampa, Florida 33606 Telephone: (813) 739-4873 • If to United States Bankruptcy Court: United States Bankruptcy Court Sam M. Gibbons United States Courthouse 801 North Florida Avenue Tampa, Florida 33602

**ATTACHMENT A-1
TO BIDDING PROCEDURES
(NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT)**

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

This Non-Disclosure and Confidentiality Agreement (the “Agreement”) is entered into on _____, 2009 (the “Effective Date”), by and between _____ (“_____”) and **Creative Loafing, Inc.** and its affiliated entities (collectively, “CLI”) (together _____ and CLI shall be referred to herein as the “Parties”) in connection with that chapter 11 bankruptcy case styled *In re Creative Loafing, Inc., et. al*, Case No. 08:08-bk-14939-CED (the “Bankruptcy Case”), pending in the United States Bankruptcy Court for the Middle District of Florida, Tampa Division (the “Bankruptcy Court”). The term “Party” shall include each of the Parties’ respective successors, assigns, affiliates, directors, officers, partners, members, employees, agents, advisors, owners, shareholders, and/or trustees.

In connection with the *Fourth Amended Joint Plan of Reorganization of Creative Loafing, Inc. and Affiliated Debtors* (Doc. No. 378) (the “Plan”), _____ is interested in conducting due diligence regarding the potential acquisition of all of the capital stock of CLI pursuant to certain New Equity Bidding Procedures¹ (the “Transaction”). As such, _____ and CLI are willing to exchange certain information necessary to enable _____ and CLI to engage in and openly discuss the possibility of a Transaction, the terms of any Transaction, the structure of any Transaction, and the implementation of any Transaction prior to any agreements or commitments on the part of either _____ or CLI. However, in order for CLI to be willing to engage in such discussions, it is necessary that _____ agree to the terms of this Agreement.

1. **Non-Disclosure of Transaction.** In consideration of CLI’s willingness to engage in discussions regarding a Transaction, _____ agrees that the fact that such discussions are occurring and that the Parties are engaging in those discussions shall be kept strictly confidential by _____ and shall not be sold, traded, published, or otherwise disclosed to anyone in any manner whatsoever by _____, including by written or oral communications. Notwithstanding anything to the contrary in this Agreement, however, CLI may make any disclosures it deems reasonable or necessary, in its sole and absolute discretion, in connection with the Bankruptcy Case.

2. **Information.** In this Agreement, “Information” means all confidential or proprietary information provided by CLI to _____ (defined below), including but not limited to such information provided to _____’s affiliates, directors, officers, partners, members, employees, agents, advisors, owners, shareholders, and/or trustees, whether provided directly, indirectly, orally, electronically, in writing, or by any other means, and whether or not protectable under intellectual property rights. Information shall further include, without limitation, the following related to CLI: (a) financial information; (b) technical information; (c) operating statistics; (d) employee information; (e) production, research, development, and/or marketing records; (f) assets, business plans, forecasts, analyses, summaries, and/or studies; (g) contracts and/or

¹ Unless otherwise defined herein, capitalized terms shall have the same meaning ascribed to them in the Plan and/or New Equity Bidding Procedures, as appropriate.

agreements; (h) all other information regarding the actual past or proposed business affairs or activities of CLI, whether or not provided before or after the date hereof; (i) the fact that such information has been delivered to _____ and/or that it has been furnished by CLI; (j) the terms, conditions, status, and/or other facts with respect to any such Transaction; and (k) any notes, memoranda or executive summaries of such information. In this Agreement, “Furnishing Party” means CLI with respect to any Information furnished by CLI or on its behalf by any of its respective affiliates, directors, officers, partners, members, employees, agents, advisors, owners, shareholders, and/or trustees. “Recipient” shall mean _____ to the extent it receives any Information from the Furnishing Party. Notwithstanding the foregoing, to the extent that any Information has been provided to third-parties in the Bankruptcy Case who are not subject to any confidentiality agreements or are otherwise a matter of public record in the Bankruptcy Case, in its original form only, such shall not be considered Information and shall not be subject to this Agreement.

3. Permitted Use. The Information shall be kept strictly confidential by Recipient and shall not be used by the Recipient for any purpose other than to explore structuring a Qualified Bid for the acquisition of the New CLI Stock pursuant to the Plan and in compliance with the New Equity Bidding Procedures; provided, however, that (a) such of the Information may be disclosed to Recipient’s directors, officers, partners, members, employees, agents, advisors, owners, investors or potential investors, shareholders, and/or trustees who need to know such part of the Information for the purpose of evaluating a Transaction between _____ and CLI (it being understood that Recipient shall inform such Persons of the confidential nature of such Information, and Recipient shall direct them all to treat such Information confidentially in accordance with this Agreement); (b) such Information may be disclosed as required under applicable law or by a governmental order, decree, regulation, and/or rule (provided that (i) Recipient shall give written notice to Furnishing Party reasonably in advance of such disclosure and (ii) Recipient shall cooperate in Furnishing Party’s efforts to obtain a protective order or other reasonable assurance that confidential treatment will be accorded such Information, or in the absence of a protective order, Recipient shall disclose only the part of such Information as is required by law or governmental order, regulation, and/or rule to be disclosed); (c) such disclosure as may be required in the Bankruptcy Case; and (d) any other disclosure of such Information that may be made to which Furnishing Party expressly consents in writing.

4. Exceptions. The foregoing notwithstanding, the obligations set out in this Agreement shall not extend to such of the Information as can be proved by Recipient to be (a) generally available to the public other than as a result of any fault of or disclosure by Recipient; (b) already known to or developed by Recipient, as evidenced by prior documentation thereof; or (c) obtained lawfully by Recipient from a third-party (other than Furnishing Party or Recipient’s agents or advisors) that, to the best of Recipient’s knowledge, through prior investigation, was not under any obligation to treat such Information as confidential; provided, however, that the existence of this Agreement and _____’s expression of interest in acquiring the New CLI Stock shall not be disclosed in or used in any manner in the Bankruptcy Case by _____ without CLI’s express written consent.

5. **Disposition.** In the event that at any time prior to the Bid Deadline _____ determines not to continue participation in the bidding process for the New CLI Stock, then _____ shall promptly return the Information to CLI, together with any copies, extracts, or other reproductions of the Information. Any work papers, memoranda, other writings, or electronic data prepared by _____ or its agents or advisors based upon or incorporating any of the Information shall also be turned over to CLI at that time.

6. **Disclaimers.** No Party makes any warranties or representations to the other Party except as expressly set forth in any representations or warranties made to each other in this Agreement or in any final written agreement regarding a Transaction (when, as, and if it is executed) between and among them and subject to such limitations and restrictions as may be specified in such final written agreement.

7. **Rights of CLI.** It is expressly recognized that this Agreement is entered into for the benefit of and at the request of CLI. Without limitation, it is agreed that CLI shall be entitled to enforce this Agreement and/or seek restitution for its breach. Without prejudice to the rights and remedies otherwise available to CLI at law or in equity, including the right to damages, as a Furnishing Party, shall be entitled to equitable relief by way of injunction in the event of breach or threatened breach by Recipient of any of the provisions of this Agreement. In the event any action is brought by CLI against _____ with respect to the subject matter hereof, the Party in whose favor final judgment is rendered shall be entitled to recover all reasonable costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party. No Party will seek a jury trial in any lawsuit or other legal proceeding based upon or arising out of this Agreement, any documents connected herewith, the relationship or dealings between and among the Parties or any of them. Further, no Party will seek to consolidate any such action with any other action in which a jury trial cannot be or has not been waived. No failure or delay by CLI in exercising any right, power, or privilege, or any single or partial exercise thereof, shall operate as a waiver thereof. A waiver of any obligation under this Agreement shall not constitute a continuing waiver thereof, unless so stated in writing. Except as limited hereby, all rights and remedies available to CLI, whether available under this Agreement, at law, or in equity, are cumulative.

8. **Term.** The term of this Agreement shall extend for one (1) year following the Effective Date. Notwithstanding the foregoing, if the Bankruptcy Case is converted to a Chapter 7, a trustee is appointed in the Bankruptcy Case, relief from the automatic stay is granted in connection with CLI's property, or CLI or its assets are sold or otherwise disposed of, this Agreement shall terminate upon the occurrence of any of the foregoing.

9. **Notice.** Any notices required hereunder shall be in writing and shall be sent by certified mail (return receipt requested), postage prepaid, or via nationally recognized overnight courier with courier fees prepaid) to _____ and CLI to be noticed at the applicable address set forth in this Section. Such notices shall be deemed received on the earlier of that date actually received by the noticed Party, when refused

by the noticed Party, or when returned to the noticing Party. The names and addresses of _____ and CLI are set forth below:

Creative Loafing, Inc.	_____
810 N. Howard Avenue	_____
Tampa, Florida 33606	_____
Attn: Benjamin A. Eason	_____
Attn: Angela C. Lafon	_____

10. **Jurisdiction and Venue.** The Parties irrevocably consent to and agree that the Bankruptcy Court has exclusive jurisdiction over each of them and over this Agreement to conduct such proceedings and enter such orders as are necessary to carry out the intent of the Agreement, and that venue is appropriate in the Bankruptcy Court.

11. **Other Matters.** The term “affiliate” herein as to any Party means any one or more persons or entities directly or indirectly controlling, controlled by, or under common control with such Party. Nothing in this Agreement shall impose any obligation (a) upon any Party to complete any Transaction contemplated hereby; (b) upon any Party to deal with the other; or (c) upon any Party to enter into any discussions or negotiations or to provide any Information with respect thereto. No Party will have fiduciary duties to any other Party as a result of this Agreement. Any attempted assignment of rights or benefits by any Party without the other Party’s prior express written consent shall be null and void. This Agreement will be binding upon and inure solely to the benefit of the Parties and their personal representatives, heirs, successors, and assigns. This Agreement comprises the full and complete agreement of the Parties with respect to its subject matter and supersedes and cancels all prior communications, understandings, and agreements between the Parties, whether written or oral, expressed or implied, relating to the subject matter of this Agreement. Each Party represents that any person signing this Agreement on its behalf has been fully and duly authorized to sign this Agreement and that his/her signature is binding upon the Party on whose behalf he/she has signed. No amendments, changes, or modifications to this Agreement shall be valid unless the same are in writing and signed by a duly authorized representative of each of the Parties. This Agreement may be entered by any Party in one or more counterparts by signing any counterpart in the space provided for such Party’s signature and transmitting said signed counterpart to the other Party via confirmed electronic mail transmission. Paragraph headings are for convenience only and do not define or delimit the terms hereof. All provisions hereof are severable. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have caused this Agreement to be executed on the date first written above.

Creative Loafing, Inc., and Affiliated Debtors

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

**ATTACHMENT A-2
TO BIDDING PROCEDURES
(STALKING HORSE PURCHASE AGREEMENT)**

{00114635.DOC;2}
Creative Loafing
27853629

STOCK PURCHASE AGREEMENT

by and among

ATALAYA ADMINISTRATIVE LLC

and

ATALAYA FUNDING II, LP,

as Buyers,

and

CREATIVE LOAFING, INC.,

CL CHARLOTTE, INC.,

CREATIVE LOAFING ATLANTA, INC.,

WEEKLY PLANET OF SARASOTA, INC.,

WEEKLY PLANET, INC.,

CL BIRMINGHAM, INC.,

CL WASHINGTON, INC.,

CL CHICAGO, INC. and

WASHINGTON FREE WEEKLY, INC.,

as Sellers

_____, 2009

TABLE OF CONTENTS

ARTICLE I
DEFINITIONS.....1

ARTICLE II
PURCHASE AND SALE.....4

 2.1. CLOSING4

 2.2. PAYMENT OF PURCHASE PRICE4

 2.3. DEPOSIT5

 2.4. WORKING CAPITAL FACILITY5

ARTICLE III
COVENANTS AND OTHER MATTERS PENDING THE CLOSING5

 3.1. OPERATION OF BUSINESS5

 3.2. ACCESS6

 3.3. COOPERATION.....6

ARTICLE IV
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYER6

 4.1. COVENANTS AND AGREEMENTS6

 4.2. NO LITIGATION6

 4.3. NO MATERIAL ADVERSE EFFECT.....6

 4.4. BANKRUPTCY COURT6

 4.5. SUBSIDIARIES.....7

 4.6. DELIVERIES AT CLOSING.....7

ARTICLE V
CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLER7

 5.1. COVENANTS AND AGREEMENTS7

 5.2. NO INJUNCTION7

 5.3. BANKRUPTCY COURT7

 5.4. DELIVERIES AT CLOSING.....7

ARTICLE VI
TERMINATION.....7

 6.1. TERMINATION7

 6.2. RIGHTS ON TERMINATION; WAIVER.....8

ARTICLE VII
MISCELLANEOUS8

 7.1. ENTIRE AGREEMENT; AMENDMENT; WAIVER8

 7.2. EXPENSES8

7.3.	SUBMISSION OF JURISDICTION; CONSENT TO SERVICE OF PROCESS	8
7.4.	FURTHER ASSURANCES.....	9
7.5.	ASSIGNMENT	9
7.6.	NOTICES.....	9
7.7.	COUNTERPARTS AND FACSIMILE SIGNATURES.....	10
7.8.	SEVERABILITY	10
7.9.	NO THIRD PARTY RIGHTS	10
7.10.	SPECIFIC PERFORMANCE.....	10

STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (the “Agreement”) is made as of [_____], 2009, by and among ATALAYA ADMINISTRATIVE LLC and ATALAYA FUNDING II, LP (collectively, “Buyers”), CREATIVE LOAFING, INC., a Florida corporation (the “Company”), and CL CHARLOTTE, INC., a Georgia corporation (“CL Charlotte”), CREATIVE LOAFING ATLANTA, INC., a Florida corporation (“CL Atlanta”), WEEKLY PLANET OF SARASOTA, INC., a Florida corporation (“WP Sarasota”), WEEKLY PLANET, INC., a Florida corporation (“WP”), CL BIRMINGHAM, INC., a Georgia corporation (“CL Birmingham”), CL WASHINGTON, INC., a Florida corporation (“CL Washington”), CL CHICAGO, INC., a Florida corporation (“CL Chicago”), and WASHINGTON FREE WEEKLY, INC., a Delaware corporation (“WFW”, and together with the Company, CL Charlotte, CL Atlanta, WP Sarasota, WP, CL Birmingham, CL Washington and CL Chicago, the “Sellers”).

RECITALS

WHEREAS, on September 29, 2008, the Sellers filed voluntary petitions for reorganization relief (the “Bankruptcy Cases”) pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Middle District of Florida Tampa Division (the “Bankruptcy Court”);

WHEREAS, as part of the Bankruptcy Cases, the Company intends to confirm a plan of reorganization wherein, among other things, all forms of the existing capital stock of the Company will be cancelled and 100% of the new capital stock of the reorganized Company (the “Reorganized Company”) will be issued to Buyers (such newly issued stock being, the “Reorganized Company Equity Interests”); and

WHEREAS, the Company desires to sell, transfer and assign to Buyers, and Buyers desire to acquire and assume from the Company the Reorganized Company Equity Interests as more specifically provided herein; and

NOW, THEREFORE, in consideration of the promises and agreements set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

When used in this Agreement, the following terms shall have the meanings specified:

1.1. “Affiliate” shall mean, as to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person. For purposes hereof, the term “control” means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through ownership of equity interests, by contract or otherwise.

1.2. “Assets” shall mean, collectively, all of the tangible and intangible assets, rights and properties used, held for use or purportedly owned by the Sellers or their Subsidiaries, including all Real Property.

1.3. “Bid Procedures” shall mean the procedures that shall govern the submission of bids to purchase one hundred percent (100%) of the new capital stock of the Reorganized Company.

1.4. “Books and Records” shall mean original or true and complete copies of all of the books, records, files, data and information of the Sellers and their Subsidiaries (including, without limitation, customer and supplier lists, financial and accounting records, purchase orders and invoices, sales orders, credit and collection records, engineering order files, warranty and repair files, studies, surveys, analyses, strategies, plans, forms, designs, diagrams, drawings, specifications, technical data, production and quality control records and formulations, lists of and correspondence and miscellaneous records with respect to customers, suppliers, representatives and distributors and all other general correspondence).

1.5. “Business” shall mean the business conducted by the Company and its Subsidiaries up to and including the Closing Date.

1.6. “Business Day” shall mean each day other than a Saturday, Sunday or other day on which banks in Tampa, Florida are not required by Law to be open.

1.7. “Closing” shall mean the consummation of the transactions contemplated hereby on the Closing Date. The Closing shall be effective for tax, accounting and all other purposes as of 12:00 a.m., Tampa, Florida time, on the Closing Date.

1.8. “Closing Date” shall mean the date on which the parties hereto consummate the transactions contemplated hereby, with such date occurring no later than the third Business Day after satisfaction and fulfillment or, if permissible pursuant to the terms hereof, waiver of the conditions set forth in Articles IV and V (other than those to be satisfied simultaneously at Closing) or such other date as the parties may mutually agree in writing.

1.9. “Final Order” shall mean an Order, judgment, or other decree of the Bankruptcy Court that has not been vacated, reversed, modified, amended or stayed, and for which the time to further appeal or seek review or rehearing has expired; provided, however, that any such Order, judgment or other decree of the Bankruptcy Court shall be deemed to be a Final Order upon its entry (without reference to the expiration of the time for appeal or review) if no objection to such Order, judgment or other decree is received by the Bankruptcy Court to its entry by the Bankruptcy Court.

1.10. “Governmental Authority” shall mean any federal, state, local, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any court or arbitrator, in each case having jurisdiction over the applicable matter and whether of the United States or another country.

1.11. “Law” shall mean any federal, state, local, foreign or other statute, law, treaty, order, judgment, rule, code, regulation, decree, writ, injunction, award, ruling, ordinance or other requirement of any kind of any Governmental Authority, including the common law.

1.12. “Liens” shall mean any lien, mortgage, security interest, tax lien, attachment, levy, charge, claim, restriction, imposition, pledge, encumbrance, conditional sale or title retention arrangement, or any other interest in property or assets (or the income or profits therefrom), whether consensual or nonconsensual and whether arising by agreement or under any Law or otherwise.

1.13. “Material Adverse Effect” shall mean (i) a material adverse effect on the Company or its Subsidiaries (except for the Bankruptcy Cases), or (ii) a material adverse effect on the ability of Sellers to consummate the transactions contemplated by this Agreement or perform their obligations under this Agreement, other than the effect of any change resulting from any action taken by Buyers or their Affiliates with respect to the transactions contemplated hereby or with respect to Sellers, or any effect resulting from the filing of the Bankruptcy Cases (including the failure or delay of vendors to deliver goods without a reasonable assurance of payment therefor), or from Orders of the Bankruptcy Court or other courts of competent jurisdiction, and reasonably anticipated effects thereof.

1.14. “Order” shall mean an order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of Governmental Authority.

1.15. “Parties” shall mean Sellers and Buyers.

1.16. “Permitted Liens” shall mean (i) Liens for taxes, assessments, and other governmental charges not yet due and payable, (ii) Liens being contested in good faith by appropriate proceedings, or (iii) Liens that are (A) with respect to real property, easements, quasi easements, licenses, covenants, rights of way, utility agreements and other similar restrictions on real property, (B) zoning, building and other similar restrictions, and (C) inchoate workmen’s, repairmen’s, warehousemen’s and carriers’ Liens arising in the ordinary course of business, that in any case described in this clause (iii) do not, individually or in the aggregate, materially impair the current use or occupancy of the Real Property or materially impair the marketability of title in the Real Property (including in the case of leased real property, the leasehold interest).

1.17. “Person” shall mean any individual, corporation, partnership, limited liability company, association, trust, joint venture, unincorporated entity, other legal entity or Governmental Authority.

1.18. “Plan of Reorganization” shall mean the plan of reorganization attached to the Fourth Amended Disclosure Statement, or in such other form and substance satisfactory to Buyers and Sellers to be submitted to the Bankruptcy Court, which, among other things, provides for the cancellation of all capital stock and other equity interests in, and any rights of any kind to any capital stock or equity interests in, the Company which are outstanding immediately prior to such reorganization and the issuance of the Reorganized Company Equity Interests.

1.19. “Purchase Price” shall mean \$2,000,000.

1.20. “Real Property” shall mean the real property owned or leased by the Company or its Subsidiaries and used in connection with the operation of the Company’s and its Subsidiaries’ business, together with all improvements and fixtures thereon and all easements, rights-of-way and other appurtenants thereto.

1.21. “Sale Order” shall be an Order of the Bankruptcy Court in form and substance acceptable to Buyers and Sellers approving this Agreement and all of the terms and conditions hereof, approving the sale and assignment to Buyers of all of the Reorganized Company Equity Interests and, indirectly, all of the equity interest of each Sellers other than the Company; and approving and authorizing Sellers to consummate the transactions contemplated hereby. Without limiting the generality of the foregoing, such order shall find and provide, among other things, that (i) the Reorganized Company Equity Interests sold to Buyers pursuant to this Agreement shall be transferred to Buyers free and clear of all Liens (other than Liens specifically assumed or created by Buyers), claims, encumbrances and interests (including Liens, claims, encumbrances and interests of any Governmental Authority), such Liens, claims, encumbrances and interests to attach to the proceeds of sale of the Reorganized Company Equity Interests; (ii) this Agreement was negotiated, proposed and entered into by the Parties without collusion, in good faith and from arm’s length bargaining positions, (iii) the Bankruptcy Court shall retain jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement, or the breach hereof as provided in Section 7.3 hereof; and (iv) this Agreement and the transactions contemplated hereby are not subject to rejection or avoidance by any chapter 7 or chapter 11 trustee of Sellers.

1.22. “Seller’s Counsel” shall mean Jennis & Bowen P.L.

1.23. “Subsidiaries” and “Subsidiary” shall mean each entity in which at least 50% of such entity’s equity is owned, directly or indirectly, by the Company.

ARTICLE II PURCHASE AND SALE

2.1. Closing. At the Closing, upon the terms and subject to the conditions of this Agreement, and in consideration of the Purchase Price to be paid by Buyers to Sellers, the Company shall sell, transfer, assign, convey and deliver to Buyers, and Buyers shall purchase from the Company, all of the Reorganized Company Equity Interests described in the Plan of Reorganization (which Reorganized Company Equity Interests constitute and will constitute at the Closing all of the equity interests and rights in equity interests of the Company). For purposes of clarification, the Sellers acknowledge and agree that upon purchase of the Reorganized Company Equity Interests, the Buyers will directly or indirectly own 100% of the outstanding equity interests of each of the Sellers. In addition, at the Closing, Sellers shall deliver, or cause to be delivered, to Buyers those deliveries required to be made at or prior to the Closing pursuant to Article IV hereof, and Buyers shall deliver, or cause to be delivered, to Sellers those deliveries required to be made at or prior to the Closing pursuant to Article V hereof.

2.2. Payment of Purchase Price. At the Closing, (i) Buyers shall pay to Sellers the Purchase Price less the Deposit and (ii) the Escrow Agent shall deliver the Deposit to the Sellers.

All such amounts shall be paid in immediately available funds to an account of Seller's Counsel designated by Seller's Counsel in a written notice to Buyers at least one (1) Business Day prior to Closing. Upon receipt of the Purchase Price, Seller's Counsel shall distribute such proceeds in accordance with the Sale Order and the Plan of Reorganization.

2.3. Deposit. The Buyer's earnest money deposit in the amount of Five Hundred Thousand Dollars (\$500,000) (the "Deposit") shall be held by the agent mutually agreed by the Company and Buyers (in such capacity, the "Escrow Agent") in a non-interest bearing escrow account pending the consummation of the transaction contemplated by this Agreement or the termination of this Agreement as provided herein. The Deposit shall be held until (a) the Closing Date, at which time it will be credited toward the Purchase Price as set forth in Section 2.2, or (b) if this Agreement is terminated in accordance with the applicable terms of this Agreement, the Deposit shall be returned to Buyers or retained by Sellers in accordance with Section 6.2 hereof, or to the extent Buyers are not entitled to return of the Deposit, disbursed as otherwise directed by the Bankruptcy Court after notice and a hearing.

2.4. Working Capital Facility. As additional consideration for the transactions contemplated herein, after the Closing the Buyers and/or their Affiliates will provide the Reorganized Company with a working capital financing facility of up to \$1,000,000. Such facility will (i) have a term of four (4) years, (ii) bear interest at a rate of 8%, (iii) have an unused line fee of 0.5% and (iv) otherwise be on terms and conditions, and subject to documents to be entered into after the Closing Date.

ARTICLE III COVENANTS AND OTHER MATTERS PENDING THE CLOSING

3.1. Operation of Business. From the date of this Agreement to the Closing Date, the Sellers shall conduct their business in the ordinary course consistent with past practices and shall use their commercially reasonable efforts to preserve in all material respects their present business, operations, operating assets (normal wear and tear excepted), goodwill and relationships with customers and suppliers. Without limiting the generality of the foregoing, from the date of this Agreement until the Closing Date, without the consent of Buyers (which consent shall not be unreasonably withheld or delayed), except as expressly contemplated by this Agreement or as required, authorized or restricted pursuant to an Order of the Bankruptcy Court, the Sellers and their Subsidiaries shall not:

- (a) issue, sell, pledge, dispose of, transfer, grant, encumber or authorize the issuance, sale, pledge, disposition, transfer or grant of any existing equity interests in the Company, any Reorganized Company Equity Interests or any equity interest in any other Seller;
- (b) cause or allow any Asset to become subject to a Lien, except for Permitted Liens;
- (c) execute, amend or terminate (other than the expiration thereof in accordance with its terms) any material contract outside of the ordinary course of business;

(d) (i) enter into any joint venture, partnership or similar arrangement, or (ii) sell, lease or otherwise dispose of any Assets other than sales of product inventory in the ordinary course of business;

(e) allow any material permits held by the Company and its Subsidiaries to terminate or lapse;

(f) take or agree to take any action or fail to take any action that could prevent or materially impair the ability of Buyers to consummate the transactions contemplated hereby; or

(g) agree, whether in writing or otherwise, to do any of the foregoing.

3.2. Access. From the date hereof through the Closing Date, the Sellers (i) shall provide Buyers and their authorized agents reasonable access to the officers and other key employees of the Company and its Subsidiaries for purposes of discussing employment opportunities; provided, however, that such discussions shall not unreasonably interfere with the operations and activities of the Company and its Subsidiaries, and (ii) shall simultaneously provide Buyers with any financial information or other due diligence, which has not previously been provided to Buyers, that is provided to any other person participating in the bid process outlined in the Bid Procedures.

3.3. Cooperation. Upon the terms and subject to the conditions set forth in this Agreement, Buyers and Sellers agree to use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement, including (i) all actions necessary to satisfy the closing conditions set forth in Articles IV and V, (ii) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by this Agreement, and (iii) in the event the Sale Order shall be appealed, Sellers shall use reasonable efforts to defend such appeal.

ARTICLE IV CONDITIONS PRECEDENT TO THE OBLIGATIONS OF BUYERS

Each and every obligation of Buyers to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

4.1. Covenants and Agreements. The Sellers shall have performed and complied in all material respects with all of their covenants and agreements under this Agreement that are to be performed or complied with by them prior to or on the Closing Date.

4.2. No Litigation. No investigation, suit, action or other proceeding shall be threatened in writing or pending before any court or Governmental Authority that seeks restraint, prohibition, damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and there shall be no effective injunction, writ or restraint in place concerning any of the foregoing.

4.3. No Material Adverse Effect. From the date of this Agreement to the Closing Date, there shall not have occurred any Material Adverse Effect.

4.4. Bankruptcy Court. The Bankruptcy Court shall have entered (i) an Order confirming the Plan of Reorganization, (ii) an Order approving the Rejection List, and (iii) the Sale Order, no later than August 30, 2009, and the Sale Order shall have become a Final Order (unless such condition shall have been waived by Buyers).

4.5. Subsidiaries. The Company shall continue to own 100% of, directly or indirectly, each of its Subsidiaries, specifically including the other Sellers.

4.6. Deliveries at Closing. Sellers shall have delivered to Buyers the following documents, each properly executed by Sellers, as applicable, and in form and substance reasonably satisfactory to Buyers: (a) a certified copy of the Sale Order; and (b) such other documents and certificates as Buyers shall reasonably request not inconsistent with the terms hereof.

ARTICLE V CONDITIONS PRECEDENT TO THE OBLIGATIONS OF SELLERS

Each and every obligation of Sellers to be performed on the Closing Date shall be subject to the satisfaction prior to or at the Closing of the following express conditions precedent:

5.1. Covenants and Agreements. Buyers shall have performed and complied in all material respects with all of its covenants and agreements under this Agreement that are to be performed or complied with by it prior to or on the Closing Date.

5.2. No Injunction. There shall be no effective injunction, writ or restraint in place restraining or prohibiting this Agreement or the consummation of the transactions contemplated hereby.

5.3. Bankruptcy Court. The Bankruptcy Court shall have entered the Sale Order, and the Sale Order shall have become a Final Order (unless such condition shall have been waived by Buyers).

5.4. Deliveries at Closing. Buyers shall have delivered to Sellers the Purchase Price in accordance with Section 2.2 and such documents and certificates as Sellers shall reasonably request in writing on the date hereof.

ARTICLE VI TERMINATION

6.1. Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned only as follows:

(a) at any time prior to the Closing, by mutual written agreement of Sellers and Buyers;

(b) by Buyers upon written notice to Sellers, if satisfaction of any of the conditions set forth in Article IV of this Agreement becomes impossible other than through the failure of Buyers to comply with their obligations under this Agreement; or

(c) by Sellers upon written notice to Buyers, if satisfaction of any of the conditions set forth in Article V of this Agreement becomes impossible other than through the failure of Sellers to comply with their obligations under this Agreement.

6.2. Rights on Termination; Waiver.

(a) Except as provided in clause (b) below, if this Agreement is terminated pursuant to Section 6.1, all further obligations of the parties under or pursuant to this Agreement shall terminate without further liability of any party to the other; provided, that the provisions of Sections 6.2(b), 7.2 and 7.3 of this Agreement shall survive the termination of this Agreement; provided, further, that nothing contained in this Section 6.2 shall relieve any party from liability for any willful breach of a material provision of this Agreement; and

(b) If this Agreement is terminated for any reason other than pursuant to Section 6.1(a) or (b), the Escrow Agent shall return the Deposit to Buyers no later than three (3) Business Days after such termination. Upon termination of this Agreement under Section 6.1(c), the Deposit shall be returned to Buyers unless the Bankruptcy Court, after due notice and hearing, determines that the termination under Section 6.1(c) was due to failure of Buyers to comply with their obligations under Section 5.1 of this Agreement.

ARTICLE VII
MISCELLANEOUS

7.1. Entire Agreement; Amendment; Waiver. This Agreement and the documents referred to herein and to be delivered pursuant hereto constitute the entire agreement between the parties pertaining to the subject matter hereof and supersede all prior and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, pertaining to the subject matter hereof. Except for amendments by Buyers in accordance with the Bid Procedures, no amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision of this Agreement, whether or not similar, nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing.

7.2. Expenses. Each of the parties hereto shall pay the fees and expenses of their respective counsel, accountants and other experts and the other expenses incident to the negotiation and preparation of this Agreement and consummation of the transactions contemplated hereby.

7.3. Submission of Jurisdiction; Consent to Service of Process. Without limiting any Party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or

disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 7.6 hereof; provided, however, that if the Bankruptcy Cases have closed, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Middle District of Florida, Tampa Division or any appellate court thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties hereto agree that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

7.4. Further Assurances. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement and the Plan of Reorganization, each party to this Agreement shall take all such reasonable necessary action. The parties hereto shall execute any additional instruments necessary to consummate the transactions contemplated hereby.

7.5. Assignment. This Agreement and each party's respective rights and obligations hereunder may not be assigned, by operation of Law or otherwise, without the prior written consent of the other parties and any attempt to do so shall be null and void; provided, however, that Buyers may assign any or all of their rights and obligations hereunder to one or more of their Affiliates, subject to the requirements and disclosures of paragraph C(iv) of Section IV of the Bid Procedures, and nothing herein shall relieve the Buyers of their obligations under this Agreement despite such assignment to an Affiliate. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their successors and permitted assigns.

7.6. Notices. All notices, requests, claims, demands, disclosures and other communications required or permitted by this Agreement shall be in writing and shall be deemed to have been given at the earlier of the date (i) when delivered personally, by messenger or by overnight delivery service by a recognized commercial carrier, or (ii) when received via confirmed facsimile, in all cases addressed to the party for whom it is intended at the address set forth below or to such other address as a party shall have designated by notice in writing to the other party in the manner provided by this Section 7.6:

If to Buyers or,
following the Closing,
the Sellers:

c/o Atalaya Administrative LLC
623 Fifth Avenue, 16th Floor
New York, New York 10022
Attention: Michael E. Bogdan
Phone: (212) 527-8183
Fax: (917) 274-1173

with a copy to: Hunton & Williams LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219-4074
Attention: Tyler Brown, Esq.
Phone: (804) 788-8674
Fax: (804) 343-4505

If to Sellers,
before the Closing: c/o Creative Loafing, Inc.
810 N. Howard Ave.
Tampa, Florida 33606
Attention: Ben Eason and Angela Lafon
Phone: (813) 229-1700
Fax: (813) 739-4884

with a copy to: Jennis & Bowen P.L.
400 N. Ashley Drive, Suite 2540
Tampa, Florida 33601
Attention: David S. Jennis, Esq.
Phone: (813) 229-1700
Fax: (813) 229-1707

7.7. Counterparts and Facsimile Signatures. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but such counterparts shall together constitute but one and the same Agreement. The execution of this Agreement by any of the parties may be evidenced by way of a facsimile transmission of such party's signature, or a photocopy of such facsimile transmission, and such facsimile signature shall be deemed to constitute the original signature of such party hereto.

7.8. Severability. If any provision, clause or part of this Agreement, or the application thereof under certain circumstances, is held invalid or unenforceable by any court of competent jurisdiction, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, shall not be affected thereby and shall remain in full force and effect. Any such invalid provision shall be modified to give it maximum effect consistent with the intent of the stricken provision so as to allow its enforceability under applicable law.

7.9. No Third Party Rights. Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties to this Agreement and their successors and permitted assigns any rights, benefits or remedies of any nature whatsoever under, or by reason of, this Agreement, and no third party is entitled to rely on any of the covenants and agreements contained in this Agreement. No Party assumes any liability to any third party because of any reliance on the covenants and agreements of any Party contained in this Agreement.

7.10. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any of the provisions of this Agreement to be performed at or prior to the Closing were not performed in accordance with the terms hereof and that, prior to the Closing,

the parties shall be entitled to specific performance of such provisions, in addition to any other remedy at law or in equity.

[Signature Pages Follow]

IN WITNESS WHEREOF, each party hereto has executed or caused this Agreement to be executed in its or his as of the day and year first above written.

BUYERS:

ATALAYA ADMINISTRATIVE LLC

By: _____
Name:
Title:

ATALAYA FUNDING II, LP

By: _____
Name:
Title:

SELLERS:

CREATIVE LOAFING, INC.

By: _____
Name:
Title:

CL CHARLOTTE, INC.

By: _____
Name:
Title:

CREATIVE LOAFING ATLANTA, INC.

By: _____
Name:
Title:

WEEKLY PLANET OF SARASOTA, INC.

By: _____
Name:
Title:

WEEKLY PLANET OF, INC.

By: _____
Name:
Title:

CL BIRMINGHAM, INC.

By: _____
Name:
Title:

CL WASHINGTON, INC.

By: _____
Name:
Title:

CL CHICAGO, INC.

By: _____
Name:
Title:

WASHINGTON FREE WEEKLY, INC.

By: _____

Name:

Title:

SOLELY FOR PURPOSES OF SECTION 2.2:

SELLER'S COUNSEL:

JENNIS & BOWEN P.L.

By: _____

Name:

Title:

