

11-03-2000



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TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

New

Resubmission (Non-Recordation)
Document ID #

Correction of PTO Error
Reel # Frame #

Corrective Document
Reel # Frame #

Conveyance Type

Assignment License

Security Agreement Nunc Pro Tunc Assignment

Merger

Change of Name

Other

Effective Date
Month Day Year

Conveying Party

Mark if additional names of receiving parties attached

Name

Execution Date
Month Day Year

Formerly

75827991

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached (Designation must be a separate document from the Assignment.)

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Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages Enter the total number of pages of the attached conveyance document including any attachments. #

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text" value="75827991"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Number of Properties Enter the total number of properties involved. #

Fee Amount Fee Amount for Properties Listed (37 CFR 3.41): \$

Method of Payment: Enclosed Deposit Account

Deposit Account (Enter for payment by deposit account or if additional fees can be charged to the account.) #

Authorization to charge additional fees: Yes No

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Eric S. Santoro
Name of Person Signing


Signature

9/10/00
Date Signed

ASSET PURCHASE AGREEMENT

BETWEEN

FORMS, INC., t/a Spectra Graphics,
SPECTRA MAIL, INC., and
NEWTOWN BUSINESS FORMS CORP., as the Sellers

LAURENCE N. WEISS,
as the sole shareholder of the Sellers,

TRANSCONTINENTAL PRINTING U.S.A. INC., as the Buyer

AND

TRANSCONTINENTAL PRINTING INC.,
as the indirect parent corporation of the Buyer

October 14, 1999

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Exhibit A - Escrow Agreement

Exhibit B - Purchase Price Allocation

Exhibit C-1 - Historical Financial Statements of TPI

Exhibit C-2 - Historical Financial Statements of Sellers

Exhibit D - List of Key Employees and Compensation Arrangements

Exhibit E - [Intentionally Omitted]
Exhibit F - Form of Amended Willow Grove Lease
Exhibit G - Form of Amended Newtown Lease
Exhibit H - Form of Opinion of Counsel to Sellers and Weiss
Exhibit I - Form of Opinion of U.S. Counsel to the Buyer
Exhibit J - Form of Opinion of Canadian Counsel to the Buyer
Exhibit K - Assumption Agreement
Exhibit L - General Assignment

Disclosure Schedule

ASSET PURCHASE AGREEMENT

This Agreement (this "Agreement"), dated as of October 14, 1999, is made by and among Transcontinental Printing Inc., a Quebec corporation ("TPI"), Transcontinental Printing U.S.A. Inc., a Delaware corporation indirectly wholly-owned by TPI (the "Buyer"), Laurence N. Weiss ("Weiss"), Forms, Inc. t/a Spectra Graphics, a Pennsylvania corporation ("Spectra Graphics"), Spectra Mail, Inc., a Pennsylvania corporation ("Mail") and Newtown Business Forms Corp., a Pennsylvania corporation ("Newtown" and together with Spectra Graphics and Mail, the "Sellers"). The Buyer, the Sellers, TPI and Weiss are referred to collectively herein as the "Parties."

This Agreement contemplates a transaction in which the Buyer will purchase from the Sellers, and the Sellers will sell to the Buyer, (i) substantially all of the assets of Spectra Graphics and Mail and (ii) certain assets of Newtown applicable to the business conducted by Newtown at its Newtown, Pennsylvania facility, and the Buyer will pay to the Sellers cash and assume specified liabilities of the Sellers.

Weiss owns all of the outstanding stock of the Sellers.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties, intending to be legally bound hereby, agree as follows:

1. Definitions.

(a) Specific Definitions. For purposes of this Agreement, the following terms when appearing with initial capital letters not otherwise defined herein will have the following meanings:

"Accounts Payable" has the meaning set forth in the definition of "Assumed Liabilities" below.

"Accounts Receivable" has the meaning set forth in the definition of "Purchased Assets" below.

"Accrued Expenses" has the meaning set forth in the definition of "Assumed Liabilities" below.

"Adverse Consequences" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, injunctions, judgments, orders,

decrees, rulings, damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, Liabilities, obligations, Taxes, Liens, losses, deficiencies, expenses, and fees, including court costs, accountants' fees and reasonable attorneys' fees and expenses.

"Affiliate" means, with respect to a specified Person, (i) any Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with, the specified Person, or (ii) any Person of which the specified Person is an officer, director, trustee, member or general partner, or with respect to which the specified Person serves in a similar capacity.

"Amended Leases" has the meaning set forth in Section 8(a) below.

"Applicable Rate" means the corporate base rate of interest publicly announced from time to time by Mellon Bank, N.A.

"Assets and Properties" of any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible, whether absolute, accrued, contingent, fixed or otherwise and wherever situated), including the goodwill related thereto, operated, owned or leased by such Person, including without limitation cash, cash equivalents, Investment Assets, accounts and notes receivable, chattel paper, documents, instruments, general intangibles, real estate, equipment, inventory, goods and Intellectual Property.

"Assignment Instruments" has the meaning set forth in Section 2(e)(3) below.

"Assumed Liabilities" means the following obligations of each Seller arising in connection with the operation of the Purchased Business, as the same shall exist on the Closing Date, and no others:

(a) **Real Property Lease Obligations.** All obligations of each Seller under the Real Property Leases arising and to be performed on or after the Closing Date, and excluding any such obligations arising or to be performed prior to the Closing Date;

(b) **Accounts Payable.** All obligations of each Seller with respect to accounts payable arising from the purchase of goods and services in the Ordinary Course of Business by the Purchased Business as at the Closing Date (the "Accounts Payable");

(c) **Personal Property Lease Obligations.** All obligations of each Seller under the Personal Property Leases arising and to be performed on or after the Closing Date, and excluding any such obligations arising or to be performed prior to the Closing Date;

(d) Obligations under Contracts and Licenses. All obligations of each Seller under the Business Contracts and Business Licenses arising and to be performed on or after the Closing Date, and excluding any such obligations arising or to be performed prior to the Closing Date; and

(e) Accrued Expenses. All obligations of each Seller with respect to accrued expenses arising from the conduct of the Purchased Business in the Ordinary Course of Business as at the Closing Date, excluding any and all interest accrued on or other obligations relating to any Indebtedness, any obligations relating to any Employee Benefit Plan (other than annual bonus plans maintained by the Sellers and as to which the Final Closing Statement shall reflect an accrual in accordance with Section 7(c)(iii) below), and any obligations relating to any Excluded Assets or Excluded Liabilities (the "Accrued Expenses").

"Assumption Agreement" has the meaning set forth in Section 2(e)(4) below.

"Assumption Instruments" has the meaning set forth in Section 2(e)(4) below.

"Board of Arbitration" has the meaning set forth in Section 9(d)(8) below.

"Books and Records" of any Person, means all files, documents, instruments, papers, books and records relating to the business, operations, condition (financial or other), results of operations and Assets and Properties of such Person, including without limitation financial statements, Tax Returns and related work papers and letters from accountants (to the extent owned or in the possession of such Person), budgets, pricing guidelines, ledgers, journals, deeds, title policies, Contracts, Licenses, customer lists, computer files and programs, retrieval programs, operating data and plans and environmental studies and plans.

"Business Books and Records" has the meaning set forth in the definition of "Purchased Assets" below.

"Business Contracts" has the meaning set forth in the definition of "Purchased Assets" below.

"Business Licenses" has the meaning set forth in the definition of "Purchased Assets" below.

"Buyer" has the meaning set forth in the preface above.

"Buyer Indemnified Parties" means TPI, the Buyer and their respective officers, directors, employees, agents and Affiliates.

"Buyer's 401(k) Plan" has the meaning set forth in Section 7(g) below.

"Closing" has the meaning set forth in Section 2(d) below.

"Closing Date" has the meaning set forth in Section 2(d) below.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute or codification of the federal income tax laws of the United States of America.

"Compromised Accounts Receivable" has the meaning set forth in Section 7(e) below.

"Consulting Agreement" means the Consulting Agreement dated as of the date hereof, among the Buyer, Weiss and Harriet Weiss.

"Contract" means any agreement, lease, license, evidence of Indebtedness, mortgage, indenture, security agreement or other contract (whether written or oral).

"Control" means with respect to a specified Person: (a) the beneficial ownership (as defined in Rule 13d-1(d) promulgated under the Securities and Exchange Act of 1934, as amended) of 50 percent or more of the voting interests in such Person, or (b) the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"CR Waldman" means Composing Room, Inc. t/a CR Waldman Graphics Communications, a Pennsylvania corporation.

"Current Liabilities" means the sum of (x) the book value of all Accounts Payable and (y) the book value of all Accrued Expenses, including payroll and other employment related Taxes, arising from the conduct of the Purchased Business in the Ordinary Course of Business. The term "Current Liabilities" shall not include any other Liabilities including, without limitation, Liabilities in favor of banks, leasing companies (for capitalized leases) and other third party lenders.

"Disclosure Schedule" means the schedules delivered by Weiss and the Sellers to TPI and the Buyer on the date hereof which are labeled "Disclosure Schedules."

"Dispute Period" means the period ending thirty (30) days following receipt by an Indemnifying Party of a Third Party Claim.

"Disputed Matter" has the meaning set forth in Section 3(c) below.

"Employee Benefit Plan" means any: (a) nonqualified deferred compensation or retirement plan or arrangement, (b) qualified defined contribution retirement plan or arrangement which is an Employee Pension Benefit Plan, (c) qualified defined benefit retirement plan or arrangement which is an Employee Pension Benefit Plan (including any Multiemployer Plan), or (d) Employee Welfare Benefit Plan or material fringe benefit or other retirement, bonus, or incentive plan or program.

"Employee Pension Benefit Plan" has the meaning set forth in ERISA Section 3(2).

"Employee Welfare Benefit Plan" has the meaning set forth in ERISA Section 3(1).

"Employment Agreement" means the Employment Agreement dated as of the date hereof, between Richard Weissman and the Buyer.

"Environmental, Health, and Safety Requirements" shall mean all federal, state and local statutes, regulations, and ordinances concerning public health and safety, worker health and safety, and pollution or protection of the environment, including, without limitation, all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any hazardous materials, substances or wastes, as such requirements are enacted and in effect on or prior to the Closing Date.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means any Person under common Control with any Seller pursuant to Section 414 (b),(c),(m) or (o) of the Code.

"Escrow Agent" means Chase Manhattan Trust Company.

"Escrow Agreement" means the agreement substantially in the form attached hereto as Exhibit A.

“Estimated Working Capital” has the meaning set forth in Section 3(b) below.

“Estimated Working Capital Statement” has the meaning set forth in Section 3(a) below.

“Excluded Assets” means the following Assets and Properties of the Sellers:

(a) all cash (including checks received prior to the close of business on the Closing Date, whether or not deposited or cleared prior to the close of business on the Closing Date), commercial paper, certificates of deposit and other bank deposits, treasury bills and other cash equivalents;

(b) all promissory notes other than those associated with the Accounts Receivable;

(c) subject to Section 2(h) below, all life insurance policies of officers and other employees of each of the Sellers and all other insurance policies (including medical, disability and other insurance relating to Employee Benefit Plans) relating to the operation of the Purchased Business;

(d) all Employee Benefit Plans and all assets owned or held by any Employee Benefit Plans;

(e) the rights of the Sellers in, to and under all Contracts of any nature, the obligations of any Seller under which are not assumed expressly by the Buyer pursuant to Section 2(b) hereof, including, without limitation, all capitalized leases and all Contracts to which Hippographics, Inc. is a party but no Seller is a party, even if such Contracts are for the benefit of employees of the Sellers, and any existing bonus or compensation arrangement with Richard Weissman.

(f) any equity or other interest of any of the Sellers in any corporation, partnership, joint venture, trust, limited liability company, association or other legal entity;

(g) all assets of Newtown (including but not limited to Inventory, Accounts Receivable, machinery and equipment, Intellectual Property and Prepaid Expenses) applicable to, and used exclusively with respect to, its business operations conducted at its facilities located in Buffalo, New York and Fredericksburg, Virginia (the “Non-Pennsylvania Facilities”);

(h) the corporate charter, qualifications to conduct business as a foreign corporation, taxpayer and other identification numbers, seals, minute books, stock transfer books and other documents relating to the organization, maintenance and existence of the Sellers as corporations and any other Books and Records relating solely to the Excluded Assets or Excluded Liabilities (“Excluded Books and Records”);

(i) Tax Returns and related work papers and letters from accountants;

(j) Deposits on account of the printing presses described in Section 5(j)(1)(v) of the Disclosure Schedule as provided in Section 2(j) below;

(k) the following assets of Spectra Graphics, Mail and Newtown not used in the Purchased Business:

(i) Plane #N440CW;

(ii) Plane #N283GT;

(iii) all artwork belonging to Weiss, located at the Leased Premises and not reflected on the books and records of the Sellers; and

(iv) the name “Newtown Business Forms Corp.” and “Newtown CPC”;

(l) the Sellers’ rights under the Existing Affiliate Leases; and

(m) the Sellers’ rights under this Agreement and the Operative Agreements.

“Excluded Books and Records” has the meaning set forth in the definition of “Excluded Assets” above.

“Excluded Liabilities” means any and all Liabilities (including any event, condition or circumstance existing or arising on or before the Closing Date which would constitute a violation of, or result in liability under, any Environmental, Health and Safety Requirements) other than the Assumed Liabilities.

“Existing Affiliate Leases” means the Newtown Lease and the Spectra Lease.

“Final Closing Statement” has the meaning set forth in Section 3(c) below.

"Final Working Capital Statement" has the meaning set forth in Section 3(c) below.

"Financial Statements" has the meaning set forth in Section 5(e) below.

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"General Assignment" has the meaning set forth in Section 2(e)(3) below.

"Hart-Scott-Rodino Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Hippographics Plan" has the meaning set forth in Section 7(d) below.

"Indebtedness" of any Person means all obligations of such Person (i) for borrowed money, (ii) evidenced by notes, bonds, debentures or similar instruments, (iii) for the deferred purchase price of goods or services (other than trade payables or accruals incurred in the ordinary course of business), (iv) under capital leases and (v) in the nature of guarantees of the obligations described in clauses (i) through (iv) above of any other Person.

"Indemnified Party" has the meaning set forth in Section 9(d) below.

"Indemnifying Party" has the meaning set forth in Section 9(d) below.

"Indemnity Notice" has the meaning set forth in Section 9(d)(7) below.

"Intangible Personal Property" has the meaning set forth in the definition of "Purchased Assets" below.

"Intellectual Property" means any and all (by whatever name or term known or designated) tangible and intangible, now known or hereafter existing (a) rights associated with works of authorship throughout the universe, including but not limited to all exclusive exploitation rights, copyrights, neighboring rights, and moral rights, (b) trademark and trade name rights, Internet domain name and similar rights, (c) trade secret rights, (d) patents, designs, business methods or processes, algorithms and other industrial property rights, (e) all other proprietary rights of every kind and nature throughout the universe, however, designated (including without limitation, logos and rights to remuneration), whether arising by operation of law, contract, license or otherwise, and (f)

all registrations, applications, renewals, extensions, continuations, divisions or reissues thereof now or hereafter in force throughout the universe.

"Inventory" has the meaning set forth in the definition of "Purchased Assets" below.

"Investment Assets" means all debentures, notes and other evidences of Indebtedness, stocks, securities (including rights to purchase and securities convertible into or exchangeable for other securities), interests in joint ventures and general and limited partnerships, mortgage loans and other investment or portfolio assets owned of record or beneficially by each of the Sellers (other than trade receivables generated in the Ordinary Course of Business of each of the Sellers).

"Knowledge" means the actual knowledge of Weiss or of any senior officers or directors of any Seller, without independent investigation.

"Leased Premises" means the leasehold interests created by each lease of real property relating to the premises located at 1 Forms Lane, Willow Grove, PA; Black Place, Building D, Philadelphia, PA; and 169 Friends Lane, Newtown, PA.

"Liabilities" means all Indebtedness, obligations and other liabilities (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Licenses" means all licenses, permits, certificates of authority, authorizations, approvals, registrations, franchises and similar consents granted or issued by any governmental or regulatory authority.

"Liens" means any mortgage, pledge, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, or any conditional sale Contract, title retention Contract or other Contract to give any of the foregoing.

"Mail" has the meaning set forth in the preface above.

"Material Adverse Effect" means any change in or effect on the Purchased Business that is, or is reasonably likely to be, materially adverse to the business, operations, assets, prospects or condition (financial or other) of the Purchased Business or the Purchased Assets, as the case may be, taken as a whole, other than as a result of an industry-wide, an industry segment-wide or a general economic downturn.

“Material Consents” means the consents so designated as “Material Consents” on Schedule 2(g) of the Disclosure Schedule.

“Most Recent Balance Sheet” means the balance sheet contained within the Most Recent Financial Statements.

“Most Recent Financial Statements” has the meaning set forth in Section 5(e) below.

“Most Recent Fiscal Month End” has the meaning set forth in Section 5(e) below.

“Multiemployer Plan” has the meaning set forth in ERISA Section 3(37).

“Neutral Accountant” has the meaning set forth in Section 3(c) below.

“New Press Purchase Agreements” has the meaning set forth in Section 2(j) below.

“Newtown” has the meaning set forth in the preface above.

“Newtown Business” means the business and operations conducted by Newtown at or from the Newtown Facility.

“Newtown Facility” means the facility located at 169 Friends Lane, Newtown, Pennsylvania at which the Newtown Business is conducted and which facility is leased pursuant to the Newtown Lease.

“Newtown Facility Assets” means all of the business and Assets and Properties of Newtown which are located at or carried on from the Newtown Facility or are otherwise necessary for the conduct of the Newtown Business.

“Newtown Facility Liabilities” shall mean those Liabilities of Newtown which are applicable to the Newtown Business.

“Newtown Lease” means that certain lease dated August 1, 1986, as amended, by and between Harriet Weiss, as landlord, and Newtown, as tenant.

“Non-Pennsylvania Facilities” has the meaning set forth in the definition of “Excluded Assets” above.

“Notice of Disagreement” has the meaning set forth in Section 3(c) below.

"Operative Agreements" means, collectively, the General Assignment and the other Assignment Instruments, the Assumption Agreement and the other Assumption Instruments, the Escrow Agreement, the Amended Leases, the Employment Agreement, the Consulting Agreement and any support or other agreements to be entered into in connection with the transactions contemplated by this Agreement.

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice (including with respect to quantity and frequency).

"Other Assets" has the meaning set forth in the definition of "Purchased Assets" below.

"Party" has the meaning set forth in the preface above.

"Permitted Lien" means (i) any lien or other encumbrance for Taxes not yet due or delinquent or being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP, (ii) any statutory Lien arising in the Ordinary Course of Business by operation of law with respect to a Liability that is not yet due or delinquent and (iii) any minor imperfection of title or similar Lien which individually or in the aggregate with other such liens does not materially impair the value of the property subject to such Lien or the use of such property in the conduct of the Purchased Business.

"Person" means an individual, a partnership, limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, any other form of business organization, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).

"Personal Property Leases" has the meaning set forth in the definition of "Purchased Assets" below.

"Prepaid Expenses" has the meaning set forth in the definition of "Purchased Assets" below.

"Purchased Assets" means the following Assets and Properties of the Sellers used or held for use in connection with the Purchased Business, as the same shall exist on the Closing Date, except for the Excluded Assets, together with any proceeds and awards referred to in Section 2(h) below:

- (a) subject to Section 2(g), the leases and subleases of real property described in Section 5(h) of the Disclosure Schedule as to which any Seller is the

lessee or sublessee, together with any options to purchase the underlying property and leasehold improvements thereon, and in each case all other rights, subleases, licenses, permits, deposits and profits appurtenant to or related to such leases and subleases (the "Real Property Leases");

(b) all inventories of raw materials, work-in-process, finished goods, products under research and development, demonstration equipment, office and other supplies, parts, packaging materials and other accessories related thereto which are held at, or are in transit from or to, the locations at which the Purchased Business is conducted, or located at customers' premises on consignment, in each case, which are used or held for use by any of the Sellers in the conduct of the Purchased Business, including any of the foregoing purchased subject to any conditional sales or title retention agreement in favor of any other Person, together with all rights of each Seller against suppliers of such inventories (the "Inventory");

(c) all trade accounts receivable and all notes, bonds and other evidences of Indebtedness of and rights to receive payments arising out of sales occurring in the conduct of the Purchased Business and the Security Agreements related thereto, including any rights of each Seller with respect to any third party collection procedures or any other Actions or Proceedings which have been commenced in connection therewith, including, to the extent consistent with GAAP and the Sellers' past practices, trade accounts receivable recorded by the Sellers as arising at the time shipments are made to customers even though invoices for such shipments have not been actually delivered to account debtors (the "Accounts Receivable");

(d) all furniture, fixtures, equipment, machinery and other tangible personal property (other than Inventory and Vehicles) used or held for use in the conduct of the Purchased Business at the locations at which the Purchased Business is conducted or at customers' premises on consignment, or otherwise used or held for use by any Seller in the conduct of the Purchased Business (including but not limited to the items listed in Sections 1(a)(i), 5(p)(5) and 5(p)(7) of the Disclosure Schedule and, to the extent delivered prior to the Closing, the printing presses referred to in Section 2(j) below), including any of the foregoing purchased subject to any conditional sales or title retention agreement in favor of any other Person (the "Tangible Personal Property");

(e) subject to Section 2(g), (A) the leases or subleases of Tangible Personal Property described in Section 1(a)(ii) of the Disclosure Schedule as to which any Seller is the lessor or sublessor and (B) the leases of Tangible Personal

Property described in Section 1(a)(ii) to the Disclosure Schedule as to which any Seller is the lessee or sublessee, together with any options to purchase the underlying property (the leases and subleases described in subclauses (A) and (B), the "Personal Property Leases");

(f) subject to Section 2(g), all Contracts (other than the Real Property Leases, the Personal Property Leases and the Accounts Receivable) to which any Seller is a party and which are utilized in the conduct of the Purchased Business, including without limitation Contracts relating to suppliers, customers, sales representatives, distributors, purchase orders, marketing arrangements and manufacturing arrangements (the "Business Contracts");

(g) all prepaid expenses and prepaid Taxes relating to the Purchased Business, including but not limited to the items listed in Section 1(a)(iii) of the Disclosure Schedule and the amount of the Company Supplemental Match Contribution (the "Prepaid Expenses");

(h) all Intellectual Property used or held for use in the conduct of the Purchased Business (including each Seller's goodwill therein) and all rights, privileges, claims, causes of action and options relating or pertaining to the Purchased Business or the Purchased Assets, including but not limited to the items listed in Section 5(i) of the Disclosure Schedule (the "Intangible Personal Property");

(i) to the extent their transfer is permitted under applicable laws, and subject to Section 2(g), all Licenses (including applications therefor) utilized in the conduct of the Purchased Business, including but not limited to the Licenses listed in Section 5(t) of the Disclosure Schedule (the "Business Licenses");

(j) all motor vehicles owned or leased by each of the Sellers and used or held for use in the conduct of the Purchased Business, including but not limited to the vehicles listed in Section 5(y) of the Disclosure Schedule (the "Vehicles");

(k) all security deposits deposited by or on behalf of any Seller as lessee or sublessee under any Real Property Lease (the "Tenant Security Deposits");

(l) all Books and Records used or held for use in the conduct of the Purchased Business or otherwise relating to the Purchased Assets, other than the Excluded Books and Records (the "Business Books and Records"); and

(m) all other Assets and Properties of each of the Sellers used or held for use in connection with the Purchased Business (the "Other Assets").

"Purchase Price" has the meaning set forth in Section 2(c) below.

"Purchased Business" means all of the business activities conducted by Spectra Graphics and Mail and the Newtown Business, which Purchased Business consists principally of direct mail and forms printing and finishing, personalizing, inserting and mailing.

"Real Property Leases" has the meaning set forth in the definition of "Purchased Assets" above.

"Security Agreements" has the meaning set forth in Section 5(w) below.

"Security Interest" means any mortgage, pledge, lien, encumbrance, charge, or other security interest, other than (a) mechanic's, materialmen's, and similar liens, (b) liens for Taxes not yet due and payable or for taxes that the taxpayer is contesting in good faith through appropriate proceedings, (c) purchase money liens and liens securing rental payments under capital lease arrangements, and (d) other liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money.

"Seller Indemnified Parties" means Weiss, the Sellers and their respective officers, directors, employees, agents and Affiliates.

"Sellers" has the meaning set forth in the preface above.

"Sellers' Expense" means: (i) all costs and expenses of the Sellers and Weiss in connection with the negotiation of this Agreement and the consummation of the transactions contemplated hereby including any broker's fee provided for in Sections 4(a) and 5(bb), (ii) all other costs and expenses required to be borne by the Sellers under the terms of this Agreement, and (iii) all other fees and expenses of the Sellers not previously paid by the Sellers.

"Seller's 401(k) Plan" has the meaning set forth in Section 7(g) below.

"Shareholder's Equity" means the excess of assets over liabilities for the applicable Person, all as determined in accordance with GAAP.

"Spectra Graphics" has the meaning set forth in the preface above.

“Spectra Lease” means that certain lease dated September 5, 1984, as amended, by and between Weiss, as landlord, and Spectra Graphics, as tenant.

“Subsidiary” means any corporation with respect to which a specified Person (or a Subsidiary thereof) owns a majority of the common stock or has the power to vote or direct the voting of sufficient securities to elect a majority of the directors.

“Tangible Personal Property” has the meaning set forth in the definition of “Purchased Assets” above.

“Tax Return” means any report, statement, form, declaration, return or other document or information filed with or required to be supplied to a taxing or other governmental authority in connection with Taxes.

“Tax” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, occupancy, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code Section 59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

“Tenant Security Deposits” has the meaning set forth in the definition of “Purchased Assets” above.

“Third Party Claim” has the meaning set forth in Section 9(d) below.

“TPI” has the meaning set forth in the preface above.

“Transferred Employees” has the meaning set forth in Section 7(g) below.

“Weiss” has the meaning set forth in the preface above.

“Working Capital” shall mean, as of a specified date, the sum of (i) the book value of the Accounts Receivable net of any applicable reserve reflected in the balance sheet, plus (ii) the book value of all Inventory valued on a FIFO basis, after the allowance for unsaleable or obsolete inventory, plus (iii) the book value of all Prepaid Expenses, Tenant Security Deposits and other current assets, including all utility deposits, rental deposits and prepaid Taxes applicable to the Purchased Business (even though such deposits may be characterized as long-term assets); less the Current Liabilities.

(b) Interpretations. In this Agreement, unless the Context otherwise requires:

(1) The terms “hereby,” “hereunder,” and any similar terms, as used in this Agreement, refer to this Agreement;

(2) The terms “include” or “including” shall be interpreted as if the word “without limitation” immediately followed such terms;

(3) Any reference to any Section, Subsection, Exhibit or Disclosure Schedule contained in this Agreement shall refer to such Section, Subsection or Disclosure Schedule as set forth in this Agreement, notwithstanding use of or failure to use the term “above,” “below,” “hereof,” “hereto,” or “herein” in connection with such reference;

(4) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number or vice versa;

(5) Any headings preceding the texts of the several Sections, Subsections, Exhibits and Disclosure Schedules of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect;

(6) The Disclosure Schedule annexed to this Agreement shall be considered to be incorporated within any Section or Subsection solely by reference thereto; and

(7) Unless expressly limited, all references to agreements are references to agreements as the provisions thereof may be amended, modified or waived from time to time.

2. Purchase and Sale of Purchased Assets.

(a) Purchase and Sale of Assets. On and subject to the terms and conditions of this Agreement, the Buyer agrees to purchase from each Seller, and each Seller agrees to sell, transfer, convey and assign to the Buyer, all of each such Seller’s right, title and interest in, to and under the Purchased Assets, at the Closing for the consideration specified below in this Section 2.

(b) Assumption of Liabilities. On and subject to the terms and conditions of this Agreement, the Buyer agrees to assume and become responsible for all of the Assumed Liabilities outstanding at the Closing. The Buyer will not assume or have any responsibility, whatsoever, with respect to, and the Sellers shall remain unconditionally liable for and shall discharge when due, the Excluded Liabilities and any other Liability of the Sellers not included within the definition of Assumed Liabilities.

(c) Purchase Price. The "Purchase Price" to be paid to the Sellers shall be an amount equal to Forty Six Million Five Hundred Thousand United States Dollars (\$46,500,000 (U.S.)) as shall be adjusted for changes in Working Capital pursuant to Section 3 below.

(d) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Ballard Spahr Andrews & Ingersoll, LLP, 1735 Market Street, Philadelphia, Pennsylvania 19103, commencing at 9:00 a.m. local time on the third business day following the satisfaction or waiver of all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the respective Parties will take at the Closing itself) or such other date as the Buyer and the Sellers may mutually determine (the "Closing Date"); provided, however, that the Closing Date shall be no earlier than October 22, 1999, unless the Parties mutually agree otherwise, and shall be subject to the right of either Party to terminate this Agreement pursuant to Section 10(a)(3) below.

(e) Deliveries at the Closing. At the Closing:

(1) the Sellers will deliver to the Buyer the certificate referred to in Section 8(a)(4) below;

(2) the Buyer will deliver to the Sellers the certificate referred to in Section 8(b)(4) below;

(3) each of the Sellers will assign and transfer to the Buyer all of its right, title and interest in and to the Purchased Assets (free and clear of all Liens) by delivery of (A) a General Assignment and Bill of Sale substantially in the form of Exhibit L hereto (the "General Assignment"), duly executed by each of the Sellers, (B) an assignment of the Intellectual Property in form and substance reasonably satisfactory to the Buyer and its counsel and (C) such other good and sufficient instruments of conveyance, assignment and transfer, in form and substance reasonably acceptable to the Buyer's counsel, as shall be effective to vest in the Buyer good title to the Purchased Assets (the General Assignment and the

other instruments referred to in clauses (B) and (C) being collectively referred to herein as the "Assignment Instruments");

(4) the Buyer and TPI will jointly and severally assume from the Sellers the due payment, performance and discharge of the Assumed Liabilities (and no others) by delivery of (A) an Assumption Agreement substantially in the form of Exhibit K hereto (the "Assumption Agreement"), duly executed by the Buyer and TPI, and (B) such other good and sufficient instruments of assumption, in form and substance reasonably acceptable to the Sellers' counsel, as shall be effective to cause the Buyer and TPI to assume the Assumed Liabilities as and to the extent provided in Section 2(b) hereof (the Assumption Agreement and such other instruments referred to in clause (B) being collectively referred to herein as the "Assumption Instruments");

(5) the Buyer shall deposit in cash with the Escrow Agent acting pursuant to the Escrow Agreement the sum of Two Million Five Hundred Thousand Dollars (U.S. \$2,500,000) (such amount together with interest thereon, additions thereto, and releases therefrom, is referred to herein as the "Escrow Amount"). One-half of the original Escrow Amount (less the aggregate amount of all claims of the Buyer Indemnified Parties at the time under Section 9(b) hereof which have not been resolved and satisfied) shall be distributed to the Sellers on the first anniversary of the Closing Date and the balance of the Escrow Amount (less the aggregate amount of any all unresolved and unsatisfied outstanding claims of the Buyer Indemnified Parties at the time under Section 9(b) hereof) shall be distributed to the Sellers on the second anniversary of the Closing Date, all in accordance with the terms and conditions of the Escrow Agreement; and

(6) the Buyer shall cause the balance of the Purchase Price, after deducting the amount transferred to the Escrow Agent and adjusted pursuant to Section 3(b), to be wire transferred in immediately available funds to an account specified by Weiss or the Sellers.

(f) Allocation of Purchase Price. Upon or prior to completion of the Final Closing Statement, the Buyer and the Sellers shall prepare a Certificate of Allocation on Internal Revenue Service Form 8594 or in such other form as mutually agreed detailing the allocation of the Purchase Price among the Purchased Assets and the other covenants of the Sellers set forth in this Agreement in accordance with the principles set forth in Exhibit B attached hereto. The Certificate of Allocation shall be conclusive and binding on TPI, the Buyer, Weiss and each of the Sellers for all purposes, including, but not limited to, reporting and disclosure requirements under the Code and any other federal, state, local or foreign Tax authority.

(g) Third Party Consents. To the extent that any Real Property Lease, Personal Property Lease, Business Contract or Business License is not assignable without the consent of another party (with such consents being disclosed in Section 2(g) of the Disclosure Schedules), this Agreement shall not constitute an assignment or an attempted assignment thereof if such assignment or attempted assignment would constitute a breach thereof or a default thereunder. Each of Weiss, the Sellers and the Buyer shall use commercially reasonable efforts to obtain the consent of such other party to the assignment of any such Real Property Lease, Personal Property Lease, Business Contract or Business License to the Buyer in all cases in which such consent is or may be required for such assignment. If any such consent shall not be obtained, each of the Sellers shall cooperate with the Buyer in any reasonable arrangement designed to provide for the Buyer at no cost to the Buyer the benefits intended to be assigned to the Buyer under the relevant Real Property Lease, Personal Property Lease, Business Contract or Business License, including enforcement for the account of the Buyer of any and all rights of each of the Sellers against the other party thereto arising out of the breach or cancellation thereof by such other party or otherwise. If and to the extent that such arrangement cannot be made, the Buyer shall have no obligation pursuant to Section 2(e)(4) or otherwise with respect to any such Real Property Lease, Personal Property Lease, Business Contract or Business License. The provisions of this Section 2(g) shall not affect the right of the Buyer not to consummate the transactions contemplated by this Agreement if the condition to its obligations hereunder contained in Section 8(a)(10) has not been fulfilled.

(h) Insurance Proceeds. If any of the Purchased Assets are destroyed or damaged or taken in condemnation, the insurance proceeds or condemnation award with respect thereto shall be a Purchased Asset. At the Closing, each of the Sellers shall pay or credit to the Buyer any such insurance proceeds or condemnation awards received by it on or prior to the Closing and shall assign to or assert for the benefit of the Buyer all of its rights against any insurance companies, governmental or regulatory authorities and others with respect to such damage, destruction or condemnation. As and to the extent that there is available insurance under policies maintained by any Seller and its Affiliates, predecessors and successors in respect of any Assumed Liability, except for any such insurance proceeds with respect to which the insured is directly or indirectly self-insured or has agreed to indemnify the insurer, each Seller shall cause such insurance to be applied toward the payment of such Assumed Liability. The provisions of this Section shall not affect the right of the Buyer not to consummate the transactions contemplated by this Agreement if the condition to its obligations hereunder contained in Section 8(a)(1) hereof has not been fulfilled.

(i) Transfer Taxes. The Sellers, on the one hand, and the Buyer each agree to pay one-half of all sales, use, transfer, real property transfer, stock transfer and

other similar Taxes and fees arising out of or in connection with the transactions effected pursuant to this Agreement.

(j) Order for Certain Printing Presses. Section 5(j)(1)(v) of the Disclosure Schedule describes two printing presses which have been ordered by the Sellers and all amounts, including deposits, which have been made on account thereof pursuant to the purchase agreements described in Section 5(j)(1)(v) of the Disclosure Schedules (the "New Press Purchase Agreements") prior to the date hereof. At Closing, the Sellers shall assign to Buyer all of the Sellers' rights under the New Press Purchase Agreements and, to the extent the Sellers have received delivery of any press covered by the New Press Purchase Agreements, title to such press. At Closing, and separate and apart from the Purchase Price, the Buyer shall pay to the Sellers all amounts, including deposits, paid by the Sellers on account of the new presses pursuant to the New Press Purchase Agreements.

(k) Buy-out of Operating Lease with Natural Partners. At the written request of Buyer, Weiss shall cause Natural Partners, L.P. to sell to Buyer at Closing all of the equipment covered by the operating lease described in Schedule 5(o)(i) of the Disclosure Schedule for a purchase price equal to 95% of the total invoice cost of the equipment as shown on an attachment to such lease.

3. Working Capital Adjustment.

(a) Prior to the Closing Date, the Sellers shall make a good faith estimate of the Working Capital of the Purchased Business as of the close of business on the Closing Date, and shall provide the Buyer a copy of such calculation (the "Estimated Working Capital Statement") three business days prior to the Closing.

(b) If the amount of the Working Capital, as shown on the Estimated Working Capital Statement (the "Estimated Working Capital"), is greater than Six Million One Hundred Seventy Six Thousand Four Hundred and Sixty Two Dollars (\$6,176,462), the Purchase Price shall be increased by the difference between the Estimated Working Capital and \$6,176,462. If the amount of the Estimated Working Capital is less than \$6,176,462, the Purchase Price shall be reduced by the difference between \$6,176,462 and the Estimated Working Capital.

(c) The Sellers shall prepare and deliver to the Buyer an audited balance sheet as of the Closing Date for the Purchased Assets and the Assumed Liabilities ("Final Working Capital Statement") on or before the ninetieth (90th) day following the Closing Date, which shall (1) be prepared in accordance with GAAP and in a manner consistent with the past practices of the Sellers, as reflected in the Financial Statements, (2) present

fairly the financial condition of the Purchased Assets and Assumed Liabilities as of such date and (3) be prepared from Business Books and Records regularly maintained by management and used to prepare the financial statements of the Sellers in accordance with the principles stated therein. Buyer shall allow its employees who were previously employed by Sellers and perform accounting duties to assist Sellers in the preparation of the Final Working Capital Statement. In preparing the Final Working Capital Statement, Inventory shall be valued at FIFO in accordance with GAAP, and shall be based upon an inventory taken by the Sellers (at the Sellers' expense) and observed by the Buyer (at the Buyer's expense) within three business days of the Closing Date. The Final Working Capital Statement shall become final and binding on the Sellers and the Buyer (in such instance, the "Final Closing Statement") unless the Buyer gives written notice to the Sellers of its disagreement with respect to any matter contained therein ("Notice of Disagreement") within thirty (30) days after the receipt thereof. A Notice of Disagreement shall not be permitted unless the aggregate amount in dispute exceeds Ten Thousand Dollars (\$10,000). A Notice of Disagreement shall specify in reasonable detail the nature of any disagreement so asserted. For a period of thirty (30) days after the delivery of the Notice of Disagreement, the independent accountants of the Sellers and of the Buyer shall attempt to resolve in writing all of the differences with respect to each matter specified in the Notice of Disagreement, in which case any such resolution of the Final Working Capital Statement shall be final and binding on the Parties (in such instance, the "Final Closing Statement"). The Buyer shall have the right to examine all working papers of the Sellers and all work papers developed by the Sellers' independent accountants (subject, in the case of the independent accountants' work papers to such conditions as such independent accountants may impose upon access thereto) to prepare the Final Working Capital Statement. If, at the end of such thirty day period, the accountants of the Sellers and the Buyer have not resolved in writing all of the differences with respect to any such matter, then each unresolved matter ("Disputed Matter") shall be submitted to and reviewed by a neutral "big five" accounting firm mutually agreeable to the Parties (the "Neutral Accountant"). The Neutral Accountant shall consider only the Disputed Matters and shall act promptly and in any event, within fifteen (15) days, to resolve in writing all Disputed Matters, and its decisions with respect to the Disputed Matters shall be final and binding on each of the Sellers and the Buyer. The Neutral Accountant shall notify the Sellers and the Buyer of its resolution of the Disputed Matters in writing and shall prepare a revised Working Capital Statement reflecting the resolution of all Disputed Matters promptly after such resolution (in such instance the "Final Closing Statement") and shall deliver it to the Buyer and the Sellers.

(d) The Sellers and the Buyer shall each be responsible for and shall each pay one-half of the fees and expenses incurred in connection with the Neutral Accountant.

(e) Within 10 days after receipt of the Final Closing Statement:

(1) If the Working Capital as set forth in the Final Closing Statement is less than the Estimated Working Capital, the Sellers shall pay to the Buyer the difference, plus interest as provided below, in immediately available funds.

(2) If the Working Capital as set forth in the Final Closing Statement is greater than the Estimated Working Capital, the Buyer shall pay to the Sellers the difference, plus interest as provided below, in immediately available funds.

(3) Any payment required to be made pursuant to this Section 3 shall be made with simple interest thereon from the Closing Date to the date of payment at the Applicable Rate.

4. Representations and Warranties Concerning the Transaction.

(a) Representations and Warranties of Weiss and the Sellers. Weiss and the Sellers, jointly and severally, represent and warrant to the Buyer and TPI as follows:

(1) Authorization of Transaction. Each of Weiss and the Sellers has full power and authority to execute and deliver this Agreement and the Operative Agreements to which he or it is a party and to perform his or its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly authorized and validly executed and delivered by each of Weiss and the Sellers and constitutes, and upon the execution and delivery by Weiss and each Seller of the Operative Agreements to which he or it is a party, such Operative Agreements will constitute, the valid and legally binding obligations of Weiss and the Sellers, enforceable in accordance with their terms and conditions. Except for satisfying the requirement of the Hart-Scott-Rodino Act, neither Weiss nor any Seller needs to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to enter into this Agreement or the Operative Agreements to which he or it is a party or to consummate the transactions contemplated by this Agreement or by the Operative Agreements.

(2) Noncontravention. Except as disclosed in Section 4(a)(2) of the Disclosure Schedule, neither the execution and the delivery by Weiss or any Seller of this Agreement or the Operative Agreements to which he or it is a party, nor the consummation of the transactions contemplated hereby or thereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Weiss or any Seller is subject, (B) conflict with or result in a violation or breach of any of the

terms, conditions or provisions of the articles of incorporation or by-laws of any Seller or (C) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement except as disclosed in Section 2(g) of the Disclosure Schedule, contract, lease, license, instrument, or other arrangement to which Weiss or any Seller is a party or by which he or it is bound or to which any of its assets is subject.

(3) Broker's Fees. Neither Weiss nor any of the Sellers has any liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement, other than to Berenson Minella & Company, whose fee for services provided in respect of this Agreement and the transactions contemplated hereby shall be paid by the Sellers or Weiss.

(b) Representations and Warranties of the Buyer and TPI. The Buyer and TPI represent and warrant to Weiss and the Sellers as follows:

(1) Organization of the Buyer. Each of the Buyer and TPI is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation.

(2) Authorization of Transaction. Each of the Buyer and TPI has full corporate power and authority to execute and deliver this Agreement and the Operative Agreements to which it is a party and to perform its obligations hereunder and thereunder. This Agreement and the Operative Agreements to which it is a party constitutes the valid and legally binding obligations of each of the Buyer and TPI, enforceable against each of the Buyer and TPI in accordance with their terms and conditions. Except for satisfying the requirements of the Hart-Scott-Rodino Act, neither the Buyer nor TPI is required to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.

(3) Noncontravention. Neither the execution and the delivery by the Buyer or TPI of this Agreement or the Operative Agreements to which it is a party, nor the consummation of the transactions contemplated hereby or thereby, will (A) violate any constitution, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which the Buyer or TPI is subject or any provision of their respective charters or bylaws, (B) conflict with or result in a violation or breach of any of the terms, conditions or provisions of the certificate of incorporation or by-laws or other comparable charter documents of the Buyer or of TPI or (C) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate,

terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument, or other arrangement to which the Buyer or TPI is a party or by which it is bound or to which any of its assets is subject.

(4) Brokers' Fees. The Buyer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement for which Weiss or any of the Sellers could become liable or obligated.

(5) Financial Statements. Attached hereto as Exhibit C-1 are the following financial statements: (i) unaudited, unconsolidated balance sheet and statements of income and cash flow as of and for the fiscal year ended October 27, 1998, and for the period of October 28, 1998, to October 31, 1998, for TPI, and (ii) unaudited consolidated balance sheet and statement of income as of and for the nine (9) months ended July 31, 1999 for TPI. The financial statements attached hereto as Exhibit C-1 have been prepared in accordance with Canadian GAAP applied on a consistent basis throughout the periods covered thereby and present fairly the financial condition of TPI as of such dates and the results of operations for such periods; provided, however, that the financial statements as of July 31, 1999, are subject to normal year-end adjustments.

5. Representations and Warranties Concerning Spectra Graphics, Mail and the Newtown Business. Weiss and each of the Sellers jointly and severally represent and warrant to the Buyer and TPI as follows:

(a) Organization, Qualification, and Corporate Power. Each of the Sellers is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation. Each of the Sellers is duly authorized to conduct the Purchased Business as and to the extent now conducted, and to own, use and lease the Purchased Assets. Each Seller is duly qualified, licensed or admitted to do business and is in good standing in those jurisdictions specified in Section 5(a) of the Disclosure Schedule, which are the only jurisdictions in which the ownership, use or leasing of its Assets and Properties, or the conduct or nature of its business, makes such qualification, licensing or admission necessary, except where the lack of such qualification, licensing or admission and good standing would not have a Material Adverse Effect.

(b) Capitalization. The entire authorized capital stock of Spectra Graphics consists of 1,000 shares, of which 1,000 shares are issued and outstanding and no shares are held in treasury; the entire authorized capital stock of Mail consists of 1,000 shares, of which 100 shares are issued and outstanding and no shares are held in treasury; and the entire authorized capital stock of Newtown consists of (i) 100,000 shares of Class

A Common Stock, of which 38,400 shares are issued and outstanding and 4,000 shares are held in treasury and (ii) 20,000 shares of Class B Common Stock, of which 3,100 shares are issued and outstanding and 150 shares are held in treasury. All of the issued and outstanding shares of the Sellers have been duly authorized, are validly issued, fully paid, and nonassessable, and are held of record by Weiss. There are no outstanding or authorized options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, or other contracts or commitments that could require any of the Sellers to issue, sell, or otherwise cause to become outstanding any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or similar rights with respect to any of the Sellers.

(c) Tangible Personal Property; Investment Assets.

(1) The Sellers are in possession of and have good title to, or have valid leasehold interests in or valid rights under Contract to use, all the Tangible Personal Property, which includes all Tangible Personal Property reflected on the balance sheet included in the Most Recent Financial Statements and Tangible Personal Property acquired since the Most Recent Fiscal Month End other than Tangible Personal Property disposed of since such date in the Ordinary Course of Business. All the Tangible Personal Property is free and clear of all Liens, other than Permitted Liens and Liens disclosed in Section 5(c)(1) of the Disclosure Schedule, and is in good working order and condition, ordinary wear and tear excepted, and its use complies in all material respects with all applicable laws.

(2) Section 5(c)(2) of the Disclosure Schedule describes each Investment Asset included among the Purchased Assets on the date hereof. Except as disclosed in Section 5(c)(2) of the Disclosure Schedule, all such Investment Assets are owned by one of the Sellers free and clear of all Liens other than Permitted Liens.

(d) Subsidiaries. None of the Sellers has any Subsidiaries, Controls any other Person or otherwise possesses an ownership interest in any other Person.

(e) Financial Statements. Attached hereto as Exhibit C-2 are the following financial statements (collectively the "Financial Statements"): (i) audited consolidated balance sheets and statements of income, changes in shareholder's equity, and cash flow as of and for the fiscal years ended December 31, 1996, 1997 and 1998 for both Spectra Graphics and Mail (together with true and correct copies of the reports on such audited information by the independent accounting firms who performed the applicable audits, and all letters from such accountants with respect to the results of such audits) and unaudited balance sheets and statements of operations/income and cash flows as of and for the fiscal years ended December 31, 1997 and 1998 for the Newtown

Business, and (ii) unaudited consolidated balance sheets and statements of income (the "Most Recent Financial Statements") as of and for the six (6) months ended June 30, 1999 (the "Most Recent Fiscal Month End") for both Spectra Graphics and Mail and separately for the Newtown Business. The Financial Statements (including the notes thereto) (i) have been prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby (except the Financial Statements for the periods ended December 31, 1998 and June 30, 1999 which have been prepared on an FIFO basis) present fairly the financial condition of both Spectra Graphics and Mail and the Newtown Business as of such dates and the results of operations of both Spectra Graphics and Mail and the Newtown Business for such periods and (ii) were prepared from Business Books and Records regularly maintained by management and used to prepare the financial statements of the Sellers in accordance with the principles stated therein. Each Seller has maintained the Business Books and Records in a manner sufficient to permit the preparation of financial statements in accordance with GAAP; provided, however, that the Most Recent Financial Statements are subject to normal year-end adjustments and lack footnotes and other presentation items. Such year-end adjustments are not expected to result in a material adverse change in the presentation of the financial condition of the Purchased Business.

(f) Events Subsequent to December 31, 1998. Except as disclosed in Section 5(f) of the Disclosure Schedule, since December 31, 1998, neither any of the Sellers nor the Purchased Business has suffered a Material Adverse Effect.

(g) Legal Compliance. Except as disclosed in Section 5(g) of the Disclosure Schedule, each of the Sellers has at all times within the last five (5) years complied in all material respects with all applicable laws (including rules, regulations, codes, plans, injunctions, judgments, orders, decrees, rulings, and charges thereunder) of federal, state, local, and foreign governments (and all agencies thereof).

(h) Real Property.

(1) No real property used or held for use in the Purchased Business is owned by any of the Sellers.

(2) Section 5(h) of the Disclosure Schedule lists all real property leased or subleased to each of the Sellers except for the Leased Premises covered under the Existing Affiliate Leases. The Sellers have delivered to the Buyer correct and complete copies of the Real Property Leases listed in Section 5(h) of the Disclosure Schedule and the Existing Affiliate Leases (as amended to date). The Sellers are in possession of the Leased Premises and each Real Property Lease is legal, valid, binding,

enforceable, and in full force and effect. No Seller owes any brokerage commissions with respect to any of the Leased Premises.

(3) None of the Sellers is in, nor has any of the Sellers received any notice of any, default (or any condition or event which, after notice or elapse of time or both would constitute a default) under any existing Real Property Lease used or held for use in the Purchased Business.

(4) No third party consent is required with respect to any lease being transferred by the Sellers pursuant to the transactions contemplated by this Agreement.

(i) Intellectual Property. Section 5(i) of the Disclosure Schedule identifies all of the Intellectual Property used in or necessary to conduct the Purchased Business, and identifies each registration or application for registration which any of the Sellers has made with respect to any of its Intellectual Property used in or necessary to conduct the Purchased Business and identifies each license, agreement, or other permission which any of the Sellers has granted to any third party with respect to any of its Intellectual Property used in or necessary to conduct the Purchased Business. Except as disclosed in Section 5(c)(1) of the Disclosure Schedule, the Sellers have full legal title to the Intellectual Property free and clear of any Liens and, to the Sellers' Knowledge, of any other right or interest of others therein, direct or contingent. To the extent that any Intellectual Property used in or necessary to conduct the Purchased Business is licensed by the Sellers, the Sellers are in full compliance with all of the material terms and conditions of such license agreements.

(j) Contracts.

(1) Section 5(j) of the Disclosure Schedule (with paragraph references corresponding to those set forth below) contains a true and complete list of each of the following Contracts or other arrangements (true and complete copies or, if none, reasonably complete and accurate written descriptions of which, together with all amendments and supplements thereto and all waivers of any terms thereof, have been delivered to the Buyer prior to the execution of this Agreement) to which any Seller is a party with respect to the Purchased Business or by which any of the Purchased Assets is bound:

(i) (i) all Contracts (excluding Employee Benefit Plans) providing for a commitment of employment or consultation services for a specified or unspecified term to, or otherwise relating to employment or the termination of employment of, any employee, the name, position and rate of compensation of

each employee party to such a Contract and the expiration date of each such Contract; and (ii) any written or unwritten representations, commitments, promises, communications or courses of conduct (excluding Employee Benefit Plans and any such Contracts referred to in clause (i)) involving an obligation of Sellers to make payments in any year, other than with respect to salary or incentive compensation payments in the Ordinary Course of Business, to any employee exceeding \$10,000 or any group of employees exceeding \$50,000 in the aggregate;

(ii) all Contracts with any Person containing any provision or covenant prohibiting or limiting the ability of any of the Sellers to engage in any business activity or compete with any Person in connection with the Purchased Business or, except as provided in Section 7(b) hereof, prohibiting or limiting the ability of any Person to compete with any Seller in connection with the Purchased Business;

(iii) all partnership, joint venture, shareholders' or other similar Contracts with any Person in connection with the Purchased Business;

(iv) all Contracts with customers, distributors, dealers, manufacturer's representatives, sales agencies or franchises with whom any Seller deals in connection with the Purchased Business;

(v) all Contracts relating to the future disposition or acquisition of any Purchased Assets, other than dispositions or acquisitions of Inventory in the Ordinary Course of Business;

(vi) all collective bargaining or similar labor Contracts covering any employee; and

(vii) all other Contracts (other than Employee Benefit Plans, the Real Property Leases and insurance policies listed in Sections 5(m), 5(h) and 5(u), respectively, of the Disclosure Schedule) with respect to the Purchased Business that (i) involve the payment or potential payment, pursuant to the terms of any such Contract, by or to any Seller of more than \$100,000 annually and (ii) cannot be terminated within thirty (30) days after giving notice of termination without resulting in any material cost or penalty to such Seller.

(2) Each Contract required to be disclosed in Section 5(j)(1) of the Disclosure Schedule is in full force and effect and constitutes a legal, valid and binding agreement, enforceable in accordance with its terms, of each party thereto; and except as disclosed in Section 5(j)(2) of the Disclosure Schedule no Seller or, to the

Knowledge of any Seller, any other party to such Contract is, or has received notice that it is, in violation or breach of or default under any such Contract (or with notice or lapse of time or both, would be in violation or breach of or default under any such Contract) in any material respect.

(3) Except as disclosed in Section 4(a)(2) of the Disclosure Schedule, the execution, delivery and performance by each of Weiss and the Sellers of this Agreement and the Operative Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby, will not (A) result in or give to any Person any right of termination, cancellation, acceleration or modification in or with respect to, (B) result in or give to any Person any additional rights or entitlement to increased, additional, accelerated or guaranteed payments under, or (C) result in the creation or imposition of any Lien upon any of the Sellers or any of their Assets and Properties under, any Business Contract.

(k) Powers of Attorney. Except as disclosed in Section 5(k) to the Disclosure Schedule, there are no outstanding powers of attorney relating to the Purchased Assets or the Purchased Business.

(l) Litigation. Except as disclosed in Section 5(l) of the Disclosure Schedule (with paragraph references corresponding to those set forth below):

(1) there are no actions, suits, proceedings or investigations pending or, to the Knowledge of any Seller, threatened against, relating to or affecting any Seller with respect to the Purchased Business or any of its Assets and Properties which (i) could reasonably be expected to result in the issuance of any judgment, order, decree, ruling or charge restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Agreement or any of the Operative Agreements or otherwise result in a material diminution of the benefits contemplated by this Agreement or any of the Operative Agreements to the Buyer, or (ii) if determined adversely to any Seller, could reasonably be expected to result in (x) any injunction or other equitable relief that would interfere in any material respect with the Purchased Business or (y) Adverse Consequences by any Seller, individually or in the aggregate with Adverse Consequences in respect of other such actions, suits, proceedings or investigations, exceeding \$100,000;

(2) to the Knowledge of any Seller, there are no presently existing facts or circumstances that could reasonably be expected to give rise to the any action, suit, proceeding or investigation that would be required to be disclosed pursuant to clause (1) above; and

(3) there are no judgments, orders, decrees, rulings or charges outstanding against any Seller with respect to the Purchased Business.

Prior to the execution of this Agreement, the Sellers have delivered to the Buyer all responses of counsel to auditors' requests for information delivered in connection with the most recently prepared audited financial statements of Spectra Graphics and Mail (together with any updates provided by such counsel) regarding actions, suits, proceedings or investigations pending threatened against, relating to or affecting the Purchased Business.

(m) Employee Benefits. Section 5(m) of the Disclosure Schedule lists each Employee Benefit Plan that is maintained for the benefit of the employees of any of the Sellers to be offered employment by the Buyer hereunder.

(1) Each such Employee Benefit Plan (and each related trust, insurance contract, or fund) complies in form and in operation in all material respects with the applicable requirements of ERISA and the Code.

(2) All contributions (including all employer contributions and employee salary reduction contributions) which are due have been paid to each such Employee Benefit Plan which is an Employee Pension Benefit Plan.

(3) Each such Employee Benefit Plan which is an Employee Pension Benefit Plan has received a determination letter from the Internal Revenue Service to the effect that it meets the requirements of Code Section 401(a).

(4) The Sellers have delivered to the Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent determination letter received from the Internal Revenue Service, the most recent Form 5500 Annual Report, and all related trust agreements, insurance contracts, and other funding agreements which implement each such Employee Benefit Plan.

(5) None of the Sellers or any of their ERISA Affiliates has incurred any material Liability under Title IV of ERISA or under Section 412 of the Code or Section 302 of ERISA.

(n) Environmental, Health, and Safety Matters.

(1) Each of the Sellers is in compliance in all material respects with all Environmental, Health, and Safety Requirements applicable to the Purchased Assets and the Purchased Business.

(2) Except as disclosed in Section 5(n) of the Disclosure Schedule, none of the Sellers has received any written notice, report or other information regarding any actual or alleged material violation of Environmental, Health, and Safety Requirements applicable to the Purchased Assets and the Purchased Business, or has operated or owned facilities at which any of the Sellers has or could have any material Liabilities or potential material Liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), including any investigatory, remedial or corrective obligations, relating to Mail or Spectra Graphics or their facilities or the Newtown Business or the Newtown Facility arising under Environmental, Health, and Safety Requirements.

(o) Affiliate Transactions. Except as disclosed in Section 5(o)(i) of the Disclosure Schedule, (i) no officer or director of any Seller, no Affiliate of any Seller or of any officer or director of any Seller and, to the Sellers' Knowledge, no employee of any Seller or Affiliate of any such employee provides or causes to be provided any assets, services (other than as an employee) or facilities used or held for use in connection with the Purchased Business, and (ii) the Purchased Business does not provide or cause to be provided any assets, services or facilities to any such officer, director or Affiliate or, to the Sellers' Knowledge, any employee of any Seller or Affiliate of any such employee. Each of the transactions listed in Section 5(o)(i) of the Disclosure Schedule is engaged in on an arm's-length basis. Except as disclosed in Section 5(o)(ii) of the Disclosure Schedule, since December 31, 1998, all settlements of intercompany liabilities between any of the Sellers, on the one hand, and any of its Affiliates, on the other, have been made, and all allocations of intercompany expenses have been applied, in the Ordinary Course of Business.

(p) Operation of Purchased Business. Except for the execution and delivery of this Agreement and the transactions to take place pursuant hereto on or prior to the Closing Date and except as disclosed in Section 5(p) of the Disclosure Schedule, since December 31, 1998 there has not been any change, any event or development which, individually or together with other such events, could reasonably be expected to result in a Material Adverse Effect. Without limiting the foregoing, except as disclosed in Section 5(p) of the Disclosure Schedule, there has not occurred, between December 31, 1998 and the date hereof, any of the following:

(1) (x) any increase of more than three percent (3%) in the salary, wages or other compensation of any employee whose annual salary is, or after giving effect to such change would be, \$31,000 or more; (y) any establishment or modification of (A) targets, goals, pools or similar provisions in respect of any fiscal year under any Employee Benefit Plan or any employment-related Contract or other compensation arrangement with or for employees or (B) salary ranges,

increase guidelines or similar provisions in respect of any Employee Benefit Plan or any employment-related Contract or other compensation arrangement with or for employees; or (z) any adoption, entering into or becoming bound by any Employee Benefit Plan, employment-related Contract or collective bargaining agreement, or amendment, modification or termination (partial or complete) of any Employee Benefit Plan, employment-related Contract or collective bargaining agreement, except to the extent required by applicable law and, in the event compliance with legal requirements presented options, only to the extent the option which any Seller reasonably believed to be the least costly was chosen;

(2) (A) any incurrence by any of the Sellers of Indebtedness with respect to the conduct of the Purchased Business (net of any amounts discharged during such period) but not including increases in the Ordinary Course of Business in the amount of Indebtedness outstanding under the Sellers' working capital loans, or (B) any voluntary purchase, cancellation, prepayment or complete or partial discharge in advance of a scheduled payment date with respect to, or waiver of any right of any Seller under, any Indebtedness of or owing to such Seller with respect to the conduct of the Purchased Business;

(3) any physical damage, destruction or other casualty loss (whether or not covered by insurance) affecting any of the plant, real or personal property or equipment of the Sellers used or held for use in the conduct of the Purchased Business in an aggregate amount exceeding \$100,000;

(4) any material change in (A) any pricing, investment, accounting, financial reporting, inventory, credit, allowance or Tax practice or policy of the Purchased Business or (B) any method of calculating any bad debt, contingency or other reserve of the Purchased Business for accounting, financial reporting or Tax purposes;

(5) (A) any acquisition or disposition of any Assets and Properties used or held for use in the conduct of the Purchased Business, other than Inventory in the Ordinary Course of Business and other acquisitions or dispositions not exceeding in either case \$100,000 in the aggregate; or (B) any creation or incurrence of a Lien, other than a Permitted Lien, on any Assets and Properties used or held in, the conduct of the Purchased Business;

(6) any entering into, amendment, modification, termination (partial or complete) or granting of a waiver under or giving any consent with respect to (A) any Contract which is required (or had it been in effect on the date hereof would have been required) to be disclosed in the Disclosure Schedule

pursuant to Section 5(j), (B) any Employee Benefit Plan or (C) any License disclosed in Sections 5(i) and 5(t) of the Disclosure Schedule;

(7) any capital expenditures or commitments for additions to property, plant or equipment used or held for use in the conduct of the Purchased Business constituting capital assets in an aggregate amount exceeding \$100,000;

(8) any transaction with any officer, director, employee or Affiliate of any Seller (A) outside the Ordinary Course of Business or (B) other than on an arm's-length basis;

(9) any receipt of notices of default, breach or termination of any material Contract or Employee Benefit Plan;

(10) any initiation or maintenance of any proceedings with respect to its sale, merger, consolidation, liquidation or reorganization other than pursuant to the terms of this Agreement;

(11) any modification of its methods of operation with respect to the Purchased Business or the accounting practices relating thereto;

(12) any execution of a Contract to do or engage in any of the foregoing after the date hereof; or

(13) any other transaction involving or development affecting the Purchased Business or the Purchased Assets outside the Ordinary Course of Business.

(q) Tax Matters.

(1) Each of the Sellers has filed all Tax Returns that it was required to file. All such Tax Returns are correct and complete in all material respects. All Taxes owed by each of the Sellers (whether or not shown on any Tax Return) have been paid. None of the Sellers is currently the beneficiary of any extension of time within which to file any Tax Return. No claim has ever been made by an authority in a jurisdiction where any Seller does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. There are no Security Interests on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any Taxes. Section 5(q)(1) of the Disclosure Schedule contains a true and correct list of all states in which the Sellers file sales, income or payroll Tax Returns.

(2) Each of the Sellers has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other third party.

(3) Except as disclosed in Schedule 5(g) of the Disclosure Schedule, neither Weiss nor the Sellers expects any authority to assess any additional Taxes for any period for which Tax Returns have been filed. There is no dispute or claim concerning any Tax Liability of any of the Sellers either (A) claimed or raised by any authority in writing or (B) as to which any Seller has knowledge based upon personal contact by Weiss or any of the Sellers' respective officers, directors, employees, agents or representatives with any agent of such authority. Each of the Sellers has delivered to the Buyer correct and complete copies of all federal income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by it since June 30, 1999.

(4) Except as disclosed in Section 5(g) of the Disclosure Schedules, the Sellers have not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(r) Books and Records. Except as set forth in Section 5(r) of the Disclosure Schedule, which Section describes activities which have been outsourced by the Sellers, none of the Business Books and Records is recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of one or more employees.

(s) No Undisclosed Liabilities. Except as reflected or reserved against in the balance sheet included in the Most Recent Financial Statements or in the notes thereto or as disclosed in Sections 5(g) and 5(s) of the Disclosure Schedule, there are no Liabilities against, relating to or affecting the Purchased Business or any of the Purchased Assets, other than Liabilities (i) incurred in the Ordinary Course of Business or (ii) which, individually or in the aggregate, are not material to the condition (financial or other) results of operations, assets or prospects of the Purchased Business.

(t) Licenses. Section 5(t) of the Disclosure Schedule contains a true and complete list of all material Licenses used or held for use in the Purchased Business (and all pending applications for any such Licenses), setting forth the grantor, the grantee, the function and the expiration and renewal date of each. Prior to the execution of this Agreement, the Sellers have delivered to the Buyer true and complete copies of all such Licenses. Except as disclosed in Section 5(t) of the Disclosure Schedule:

(i) the Sellers own or validly hold all Licenses that are material, individually or in the aggregate, to the Purchased Business;

(ii) each Business License is valid, binding and in full force and effect;

(iii) each Seller is not, nor has it received any notice that it is, in default (or with the giving of notice or lapse of time or both, would be in default) under any Business License; and

(iv) the execution, delivery and performance by each Seller of this Agreement and the Operative Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby, will not (A) result in or give to any Person any right of termination, cancellation, acceleration or modification in or with respect to, (B) result in or give to any Person any additional rights or entitlement to increased, additional, accelerated or guaranteed payments under, or (C) result in the creation or imposition of any Lien upon any Seller or any of its Assets and Properties under, any Business License.

(u) Insurance. Section 5(u) of the Disclosure Schedule contains a true and complete list (including the names and addresses of the insurers, the names of the Persons to whom such insurance policies have been issued, the expiration dates thereof, the annual premiums and payment terms thereof, whether it is a "claims made" or an "occurrence" policy and a brief description of the interests insured thereby) of all liability, property, workers' compensation and other insurance policies currently in effect that insure the Purchased Business, the employees or the Purchased Assets. Each such insurance policy is valid and binding and in full force and effect, no premiums due thereunder have not been paid and Seller has not received any notice of cancellation or termination in respect of any such policy or is in default thereunder. Such insurance policies are placed with financially sound and reputable insurers and, in light of the nature of the Purchased Business and the Purchased Assets, are in amounts and have coverages that are reasonable and customary for Persons engaged in such business and having such Assets and Properties. Neither any Seller nor the Person to whom such policy has been issued has received notice that any insurer under any policy referred to in this Section is denying liability with respect to a claim thereunder or defending under a reservation of rights clause.

(v) Substantial Customers and Suppliers. Section 5(v)(i) of the Disclosure Schedule lists the twenty (20) largest customers of the Purchased Business, on the basis of revenues for goods sold or services provided for the most recently-completed fiscal year. Section 5(v)(ii) of the Disclosure Schedule lists the fifteen (15) largest

suppliers of the Purchased Business, on the basis of cost of goods or services purchased for the most recently-completed fiscal year. Except as disclosed in Section 5(v)(i) of the Disclosure Schedule, no such customer or supplier has ceased or materially reduced its purchases from, use of the services of, or sales or provision of services to the Purchased Business since December 31, 1998, or to the Knowledge of any Seller, has threatened to cease or materially reduce such purchases, use, sales or provision of services after the date hereof. To the Knowledge of any Seller, no such customer or supplier is threatened with bankruptcy or insolvency.

(w) Accounts Receivable. Except as set forth in Section 5(w) of the Disclosure Schedule, the Accounts Receivable (i) arose from bona fide sales transactions in the Ordinary Course of Business and are payable on ordinary trade terms, (ii) are legal, valid and binding obligations of the respective debtors enforceable in accordance with their terms, (iii) are not subject to any valid set-off or counterclaim, (iv) do not represent obligations for goods sold on consignment, on approval or on a sale-or-return basis or subject to any other repurchase or return arrangement, (v) are collectible in the Ordinary Course of Business in the aggregate recorded amounts thereof, net of any applicable reserve reflected in the balance sheet included in the Most Recent Financial Statements, and (vi) are not the subject of any actions, suits or proceedings brought by or on behalf of any Seller. Section 5(w) of the Disclosure Schedule sets forth a description of any security arrangements, guaranties and collateral securing the repayment or other satisfaction of the Accounts Receivable (the "Security Agreements"). All steps necessary to render all such Security Agreements legal, valid, binding and enforceable, and to give and maintain for the relevant Seller a perfected security interest in the related collateral, have been taken.

(x) Inventory. Except as disclosed in Section 5(x) of the Disclosure Schedule, all the Inventory consists of a quality and quantity usable and salable in the Ordinary Course of Business, subject to normal and customary allowances in the industry for spoilage, damage and outdated items. All items included in the Inventory are the property of one or more of the Sellers, free and clear of any Lien other than Permitted Liens, have not been pledged as collateral, are not held by any Seller on consignment from others and conform in all material respects to all standards applicable to such inventory or its use or sale imposed by any governmental or regulatory authority.

(y) Vehicles. Section 5(y) of the Disclosure Schedule contains a true and complete list of all motor vehicles owned or leased by each Seller and used or held for use in the conduct of the Purchased Business. Except as disclosed in Section 5(y) of the Disclosure Schedule, the Sellers have good and valid title to, or has valid leasehold interests in or valid rights under Contract to use, each Vehicle, free and clear of all Liens other than Permitted Liens.

(z) **No Guarantees.** None of the Liabilities of the Purchased Business or of any Seller incurred in connection with the conduct of the Purchased Business is guaranteed by or subject to a similar contingent obligation of any other Person, nor has any Seller guaranteed or become subject to a similar contingent obligation in respect of the Liabilities of any customer, supplier or other Person to whom such Seller sells goods or provides services in the conduct of the Purchased Business or with whom such Seller otherwise has significant business relationships in the conduct of the Purchased Business.

(aa) **Entire Business.** The sale of the Purchased Assets by the Sellers to the Buyer pursuant to this Agreement will effectively convey to the Buyer the entire Purchased Business and all of the tangible and intangible property used by any Seller (whether owned, leased or held under license by any Seller, by any Affiliates of any Seller or by others) in connection with the conduct of the Purchased Business as heretofore conducted by the Sellers (except for the Excluded Assets and subject to Section 2(g)) including, without limitation, all tangible Assets and Properties of each Seller reflected in the balance sheet included in the Most Recent Financial Statements and Assets and Properties acquired since the Most Recent Fiscal Month End in the conduct of the Purchased Business, other than the Excluded Assets and Assets and Properties disposed of since such date, consistent with Section 5(p). Except as disclosed in Section 5(aa) of the Disclosure Schedule, there are no shared facilities or services which are used in connection with any business or other operations of any Seller or any Affiliates of any Seller other than the Purchased Business.

(bb) **Brokers.** Except for Berenson Minella & Company, whose fees, commissions and expenses are the sole responsibility of Weiss and the Sellers, all negotiations relative to this Agreement and the transactions contemplated hereby have been carried out by the Sellers directly with the Buyer without the intervention of any Person on behalf of any Seller in such manner as to give rise to any valid claim by any Person against the Buyer for a finder's fee, brokerage commission or similar payment.

(cc) **Disclosure.** To the Sellers' Knowledge, all facts out of the Ordinary Course of Business which would have a Material Adverse Effect have been disclosed to the Buyer in or in connection with this Agreement. No representation or warranty contained in this Agreement, and no statement contained in the Disclosure Schedule or in any certificate, list or other writing furnished to the Buyer pursuant to any provision of this Agreement (including without limitation the Financial Statements contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements herein or therein, in the light of the circumstances under which they were made, not misleading.

(dd) Year 2000. Except as disclosed in Schedule 5(dd) to the Disclosure Schedules, to the Knowledge of the Sellers, all software, hardware and equipment (including microprocessors) owned or utilized by each Seller in the course of conducting the Purchased Business are capable of accounting for all calculations using a century and date sensitive algorithm for the year 2000 and the fact that the year 2000 is a leap year.

(ee) Disclaimer of Other Representations and Warranties. Except as expressly set forth in this Agreement, neither Weiss nor any of the Sellers makes any representation or warranty, express or implied, at law or in equity, with respect to the Sellers, or any of their respective Assets and Properties, Liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed. The Buyer hereby acknowledges and agrees that, except to the extent specifically set forth in this Agreement, the Buyer is purchasing the Purchased Assets on an "as-is, where-is" basis.

6. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing.

(a) General. Each of the Parties will use his or its reasonable best efforts to take all action and to do all things necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including satisfaction, but not waiver, of the closing conditions set forth in Section 8 below).

(b) Notices and Consents.

(1) Each Party will, as promptly as practicable, (a) take all commercially reasonable steps necessary or desirable to obtain all consents, approvals or actions of, make all filings with and give all notices to governmental or regulatory authorities or any other Person required of any Party to consummate the transactions contemplated hereby and by the Operative Agreements, including without limitation, in the case of the Sellers, the consents specified in Section 2(g) of the Disclosure Schedule, (b) provide such other information and communications to such governmental or regulatory authorities or other Persons as any other Party or such governmental or regulatory authorities or other Persons may reasonably request in connection therewith and (c) cooperate with each other Party in connection with the performance of its obligations under this Section 6(b). Each Party will provide prompt notification to the other Parties when any such consent, approval, action, filing or notice referred to in clause (a) above is obtained, taken, made or given, as applicable, and will advise each other Party of any communications (and, unless precluded by law, provide copies of any

such communications that are in writing) with any governmental or regulatory authority or other Person regarding any of the transactions contemplated by this Agreement or any of the Operative Agreements.

(2) Without limiting the generality of the foregoing, each of the Parties will (A) file any Notification and Report and related material that he or it may be required to file with the Federal Trade Commission and the Antitrust Division of the United States Department of Justice under the Hart-Scott-Rodino Act, (B) will request early termination of the applicable waiting period, (C) comply at the earliest practicable date with any request for additional information received by the Buyer or its Affiliates from the Federal Trade Commission or the Antitrust Division of the Department of Justice pursuant to the Hart-Scott-Rodino Act and (D) cooperate with each other in connection with the other Party's filing under the Hart-Scott-Rodino Act and in connection with resolving any investigation or other regulatory inquiry concerning the transactions contemplated by this Agreement commenced by either the Federal Trade Commission or the Antitrust Division of the Department of Justice or state attorneys general.

(c) Operation of Purchased Business. Each of the Sellers shall conduct the Purchased Business in the Ordinary Course of Business and comply with all applicable laws, and agrees that, without the prior written consent of the Buyer, it shall not with respect to the Purchased Business:

(1) waive, compromise, settle or permit to lapse any claims or rights of substantial value, or sell, transfer or otherwise dispose of any assets or other properties having a value in excess of \$100,000;

(2) make any capital commitments in excess of \$100,000 in the aggregate;

(3) willingly suffer any damage, destruction, loss or claim to or against any property or asset;

(4) initiate or maintain any proceedings with respect to its sale merger, consolidation, liquidation or reorganization other than pursuant to the terms of this Agreement;

(5) terminate, amend or modify any material agreement, contract or benefit plan;

(6) modify its methods of operation with respect to the Purchased Business or the accounting practices relating thereto; or

(7) willingly suffer any other event or condition of any character which may reasonably be expected to adversely affect the Purchased Assets or the Purchased Business.

(d) Access. The Sellers shall

(1) permit the Buyer and representatives of the Buyer to have reasonable and customary access during normal business hours at a location within the counties of Bucks, Montgomery and Philadelphia, in Pennsylvania to the Newtown Facility, the Newtown Facility Assets, the Leased Premises, to the officers and sales force personnel of each Seller, to the Sellers' accountants and to the Purchased Assets; and

(2) furnish the Buyer and such other Persons with all such information and data (including without limitation copies of Business Contracts, Business Licenses, Employee Benefit Plans and other Business Books and Records) the Purchased Business, the Purchased Assets and the Assumed Liabilities as the Buyer or any of such other Persons reasonably may request. The Buyer will treat and hold as such any confidential information it receives from Weiss or the Sellers in the course of the reviews contemplated by this Section 6(d), will not use any of the confidential information except in connection with this Agreement, and, if this Agreement is terminated for any reason whatsoever, will return to Weiss and the Sellers all tangible embodiments (and all copies) of the confidential information which are in its possession.

(e) Notice and Cure. Each of the Sellers will notify the Buyer in writing (where appropriate, through updates to the Disclosure Schedule) of, and contemporaneously will provide the Buyer with true and complete copies of any and all information or documents relating to, and will use all commercially reasonable efforts to cure before the Closing, any event, transaction or circumstance, as soon as practicable after it becomes known to such Seller, occurring after the date of this Agreement that causes or will cause any covenant or agreement of such Seller under this Agreement to be breached or that renders or will render untrue any representation or warranty of such Seller contained in this Agreement as if the same were made on or as of the date of such event, transaction or circumstance. No notice given pursuant to this Section shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or shall in any way limit the Buyer's right to seek indemnity under Section 9 hereof.

(f) Execution of Amended Leases. Weiss shall cause the Amended Leases to be executed by the respective landlords thereof, and as so executed and delivered such leases will comply, in all material respects, with all applicable laws (including rules, regulations, codes, plans, injunctions, judgements, orders, decrees, rulings and charges thereunder) of federal, state and local governments applicable thereto.

(g) Settlement of Intercompany Receivables. Notwithstanding the terms of any Accounts Payable and Accounts Receivable between any of the Sellers and any of its Affiliates, each of the Sellers will cause all such accounts to be settled on, or as soon as possible, but in any event within thirty (30) days following the Closing Date. To the extent such Accounts Payable and Accounts Receivable are not settled on the Closing Date, each of Weiss and the Sellers hereby guarantees to the Buyer the prompt payment of such Accounts Receivable outstanding on the Closing Date.

(h) Employee Matters. Except as may be required by law, each Seller will refrain from directly or indirectly:

(1) making any representation or promise, oral or written, to any employee concerning any Employee Benefit Plan, except for statements as to the rights or accrued benefits of any employee under the terms of any Employee Benefit Plan;

(2) making any increase of more than three percent (3%) in the salary, wages or other compensation of any employee whose annual salary is or, after giving effect to such change, would be \$31,000 or more;

(3) adopting, entering into or becoming bound by any Employee Benefit Plan, employment-related Contract or collective bargaining agreement with respect to the Purchased Business or any of the employees, or amending, modifying or terminating (partially or completely) any such Employee Benefit Plan, employment-related Contract or collective bargaining agreement, except to the extent required by applicable law and, in the event compliance with legal requirements presents options, only to the extent that the option which such Seller reasonably believes to be the least costly is chosen; or

(4) establishing or modifying any (A) targets, goals, pools or similar provisions in respect of any fiscal year under any Employee Benefit Plan or any employment-related Contract or other compensation arrangement with or for employees or (B) salary ranges, increase guidelines or similar provisions in respect of any Employee Benefit Plan or any employment-related Contract or other compensation arrangement with or for employees.

Each Seller will administer each Employee Benefit Plan, or cause the same to be so administered, in all material respects in accordance with the applicable provisions of the Code, ERISA and all other applicable laws. Each Seller will promptly notify the Buyer in writing of each receipt by such Seller (and furnish the Buyer with copies) of any notice of investigation or administrative proceeding by the IRS, Department of Labor, PBGC or other Person involving any Employee Benefit Plan.

(i) Security Deposits. Each Seller will take all actions necessary to transfer to the Buyer on the Closing Date all of such Seller's right, title and interest in and to the Tenant Security Deposits and any other deposits constituting part of the Purchased Assets.

(j) Delivery of Books and Records, etc.; Removal of Property.

(1) On the Closing Date, each Seller will deliver or make available to the Buyer at the locations at which the Purchased Business is conducted all of the Business Books and Records and such other Purchased Assets as are in such Seller's possession at other locations, and if at any time after the Closing any Seller discovers in its possession or under its control any other Business Books and Records or other Purchased Assets, it will forthwith deliver such Business Books and Records or other Purchased Assets to the Buyer.

(2) Within ninety (90) days after the Closing Date, each Seller shall remove all Assets and Properties not being sold to the Buyer hereunder from the Leased Premises. Such removal shall be at the sole cost and risk of each Seller, including risk of loss and damage to such Assets and Properties. The Buyer shall have no liability to any Seller with respect to such removal and transportation. Each Seller shall be responsible for all repairs to the Leased Premises due to damage caused by any Seller and its employees and agents in connection with the removal of such Seller's Assets and Properties.

(k) No Solicitations. Each of Weiss and the Sellers will not take, nor will it permit any of its Affiliates (or authorize or permit any investment banker, financial advisor, attorney, accountant or other Person retained by or acting for or on behalf of any Seller or any such Affiliate) to take, directly or indirectly, any action to solicit, encourage, receive, negotiate, assist or otherwise facilitate (including by furnishing confidential information with respect to the Purchased Business or permitting access to the Assets and Properties and Books and Records of any Seller) any offer or inquiry from any Person concerning the direct or indirect acquisition of the Purchased Business by any Person other than the Buyer or its Affiliates. If any such Seller or any such Affiliate (or any such Person acting for or on their behalf) receives from any Person any offer, inquiry or

informational request referred to above, such Seller will promptly advise such Person, by written notice, of the terms of this Section 6(k) and will promptly, orally and in writing, advise the Buyer of such offer, inquiry or request and deliver a copy of such notice to the Buyer.

(1) Fulfillment of Conditions. Each of Weiss, the Sellers and the Buyer will, and Weiss and each Seller will cause each of its Affiliates to, execute and deliver at the Closing each Operative Agreement that it is required hereby to execute and deliver as a condition to the Closing, will take all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each other condition to the obligations of the other parties contained in this Agreement and will not take or fail to take any action that could reasonably be expected to result in the nonfulfillment of any such condition.

7. Post-Closing Covenants. The Parties agree as follows with respect to the period following the Closing.

(a) Further Assurances; Post-Closing Cooperation.

(1) At any time or from time to time after the Closing, at the Buyer's request and without further consideration, the Sellers shall execute and deliver to the Buyer such other instruments of sale, transfer, conveyance, assignment and confirmation, provide such materials and information and take such other actions as the Buyer may reasonably deem necessary or desirable in order more effectively to transfer, convey and assign to the Buyer, and to confirm the Buyer's title to, all of the Purchased Assets, and, to the full extent permitted by law, to put the Buyer in actual possession and operating control of the Purchased Business and the Purchased Assets and to assist the Buyer in exercising all rights with respect thereto, and otherwise to cause the Sellers to fulfill their obligations under this Agreement and the Operative Agreements.

(2) Effective on the Closing Date, the Sellers hereby constitute and appoint the Buyer the true and lawful attorney of the Sellers, with full power of substitution, in the name of the Sellers or the Buyer, but on behalf of and for the benefit of the Buyer: (A) to demand and receive from time to time any and all of the Purchased Assets (other than Accounts Receivable which the Sellers have purchased pursuant to Section 7(e) below), and to make endorsements and give receipts and releases for and in respect of the same and any part thereof; (B) to institute, prosecute, compromise and settle any and all actions, suits or proceedings that the Buyer may deem proper in order to collect, assert or enforce any claim, right or title of any kind in or to the Purchased Assets; (C) to defend or compromise any or all actions, suits or proceedings in respect of any of the Purchased Assets; and (D) to do all such acts and things in relation to the

matters set forth in the preceding clauses (A) through (B) as the Buyer shall deem desirable; provided, however, the foregoing powers of attorney shall be subject to the provisions of Section 7(e) below with respect to Accounts Receivable and subject to Section 9(d) below in the case of Third Party Claims. Each Seller hereby acknowledges that the appointment hereby made and the powers hereby granted are coupled with an interest and are not and shall not be revocable by it in any manner or for any reason. Each Seller shall deliver to the Buyer at the Closing an acknowledged power of attorney to the foregoing effect executed by each such Seller. The Buyer and TPI shall jointly and severally indemnify and hold harmless the Sellers from any and all Adverse Consequences caused by or arising out of any breach of law by the Buyer in its exercise of such power of attorney.

(3) Following the Closing, each Party will afford each other party, its counsel and its accountants, during normal business hours, reasonable access to the books, records and other data relating to the Purchased Business in its possession with respect to periods prior to the Closing and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required by the requesting party in connection with (A) the preparation of Tax Returns, (B) the determination or enforcement of rights and obligations under this Agreement, (C) compliance with the requirements of any governmental or regulatory authority, (D) the determination or enforcement of the rights and obligations of any party to this Agreement or any of the Operative Agreements or (E) in connection with any actual or threatened action, suit or proceeding. Further each party agrees for a period extending seven (7) years after the Closing Date not to destroy or otherwise dispose of any such books, records and other data unless such party shall first offer in writing to surrender such books, records and other data to the other party and such other party shall not agree in writing to take possession thereof during the ten (10) day period after such offer is made. Subject to Section 7(a) hereof, the Buyer shall preserve, and provide Weiss and the Sellers reasonable access to all information, returns, books, records and documents transferred pursuant to this Agreement relating to any financial matters, accounting matters, employee/personnel matters or Taxes until the later of (x) the expiration of all applicable statutes of limitation and extensions thereof, (y) the conclusion of all litigation with respect to Taxes for such period, or (z) seven (7) years from the Closing Date.

(4) If, in order properly to prepare its Tax Returns, other documents or reports required to be filed with governmental or regulatory authorities or its financial statements or to fulfill its obligations hereunder, it is necessary that a party be furnished with additional information, documents or records relating to the Purchased Business not referred to in paragraph (3) above, and such information, documents or records are in the possession or control of the other party, such other party shall use its best efforts to furnish or make available such information, documents or records (or

copies thereof) at the recipient's request, cost and expense. Any information obtained by Sellers in accordance with this paragraph shall be held confidential by the Sellers in accordance with Section 11(c) hereof.

(5) Notwithstanding anything to the contrary contained in this Section, if the parties are in an adversarial relationship in litigation or arbitration, the furnishing of information, documents or records in accordance paragraphs (3) or (4) of this Section shall be subject to applicable rules relating to discovery.

(b) Noncompetition.

(1) Weiss and each of the Sellers and their respective Affiliates will, for a period of five (5) years from the Closing Date, refrain from, either alone or in conjunction with any other Person, or directly or indirectly through its present or future Affiliates:

(A) employing, engaging or seeking to employ or engage any Person who within the prior three (3) months had been an employee of the Buyer or any of its Affiliates, unless such employee (i) resigns voluntarily (without any solicitation from Weiss, any Seller or any of its Affiliates) or (ii) is terminated by the Buyer or any of their respective Affiliates after the Closing Date;

(B) causing or attempting to cause (i) any client, customer or supplier of the Purchased Business to terminate or reduce its business with the Buyer or any of its Affiliates or (ii) any officer, employee or consultant of the Buyer or any of its Affiliates engaged in the Purchased Business to resign or sever a relationship with the Buyer or any of its Affiliates;

(C) disclosing (unless compelled by judicial or administrative process) or using any confidential or secret information relating to the Purchased Business or any client, customer or supplier of the Purchased Business; or

(D) participating or engaging in (other than through the ownership of 5% or less of any class of securities registered under the Securities Exchange Act of 1934, as amended), or otherwise lending assistance (financial or otherwise) to any Person participating or engaging in (i) the direct mail business which comprises the Purchased Business on the Closing Date anywhere in the United States and (ii) any other line of business which comprises the Purchased Business on the Closing Date (x) anywhere within a one hundred (100) mile radius

of the Newtown Facility or (y) with any customer of the Sellers on or prior to the Closing Date;

provided, however, nothing contained herein shall prevent Newtown from continuing its actual business activities at the Non-Pennsylvania Facilities, or Weiss from owning all of the stock of Newtown or CR Waldman or for CR Waldman to continue to conduct its business activities as long as such activities do not compete, directly or indirectly with the direct mail related activities carried on immediately prior to the Closing by the Sellers and which form part of the Purchased Business, or in respect of the forms printing business conducted at the Newtown Facility or as long as none of the Sellers nor Weiss, directly or indirectly, solicit the existing clients thereof without the Buyer's prior written consent.

(2) Buyer and their respective Affiliates will, for a period of five (5) years from the Closing Date, refrain from, either alone or in conjunction with any other Person, or directly or indirectly through its present or future Affiliates:

(A) employing, engaging or seeking to employ or engage any Person who within the prior three (3) months had been an employee of Newtown at the Non-Pennsylvania Facilities, unless such employee (i) resigns voluntarily (without any solicitation from Buyer or any of its Affiliates) or (ii) is terminated by Newtown after the Closing Date;

(B) causing or attempting to cause (i) any client, customer or supplier of the business conducted by Newtown at its Non-Pennsylvania Facilities to terminate or reduce its business with Newtown or any of its Affiliates or (ii) any officer, employee or consultant of Newtown engaged in the business of Newtown conducted at the Non-Pennsylvania Facilities to resign or sever a relationship with Newtown or any of its Affiliates; or

(C) soliciting the customers of the business conducted by Newtown at its Non-Pennsylvania Facilities as of the Closing Date without Newtown's prior written consent;

provided, however, nothing contained herein shall prevent Buyer from continuing to conduct business with any customer or supplier of the Newtown Business on the Closing Date.

(3) If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 7(b) is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to

delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed.

(4) The Parties acknowledge and agree that any remedy at law for any breach of the provisions of this Section 7(b) would be inadequate, and each Party hereby consents to the granting by any court of an injunction or other equitable relief, without the necessity of actual monetary loss being proved, in order that the breach or threatened breach of such provisions may be effectively restrained.

(c) Employee Issues. (i) The Buyer shall offer employment to all of the employees actively employed by the Sellers (e.g., those not on short or long-term disability or on a leave of absence) involved in the operations of the Purchased Business at the Leased Premises; provided, however, with respect to any employee of any Seller involved in the operations of the Purchased Business at the Leased Premises who is on short-or-long-term disability or on a leave of absence on the Closing Date, the Buyer shall offer employment to such employee when such employee returns to work within ninety (90) days after the Closing Date and is able to perform essentially the same functions performed by that employee prior to such disability or leave of absence with or without reasonable accommodation. Such employees shall be offered employment on terms and conditions substantially comparable to the terms and conditions in force prior to the Closing Date other than with respect to the 401(k) plan which is specifically addressed in Section 7(g) below.. To the extent the Buyer does not make such offer of employment as described above, the Buyer shall be responsible for the payment of all severance benefits which are reasonable in such circumstances and consistent with the Sellers' past practices.

(ii) If, prior to the first anniversary of the Closing Date, the Buyer shall terminate the employment of any key employee listed on Exhibit D attached hereto that is actively employed by the Buyer for any reason other than for "cause" (as determined in good faith by the Board of Directors of the Buyer or its designee), then the Buyer shall continue to pay to each such terminated key employee through the period ending on the first anniversary of the Closing Date the salary and medical benefits set forth opposite such key employee's name on Exhibit D hereto as if such key employee continued to be employed by the Buyer through the first anniversary of the Closing Date.

(iii) Sellers shall cause the accrual for annual bonuses on the Final Closing Statement to properly reflect that portion of the total bonuses to which the employees hired by the Buyer pursuant to Section 7(c)(i) will be entitled at year end

under all bonus plans of Sellers applicable to such employees equal to a fraction, the numerator of which is the number of days from January 1, 1999, to and including the Closing Date, and the denominator of which is 365. Buyer shall pay to all employees hired pursuant to Section 7(c)(i) a year-end bonus at least equal in amount to the amount which they would have been entitled to receive if they had remained employed by the Sellers through December 31, 1999. Nothing contained in this clause (iii) shall be applicable to Richard Weissman, who is subject to the Employment Agreement.

(d) Continuation by Weiss of Supplemental Insurance Program.

Included in Section 5(m) to the Disclosure Schedule is a list of employees of the Purchased Business who are subject to the Deferred Compensation and Salary Continuation Plan of Hippographics, Inc., an Affiliate of Weiss (the "Hippographics Plan"). Weiss shall cause Hippographics, Inc. to continue to maintain the Hippographics Plan with respect to the employees listed on Section 5(m) of the Disclosure Schedule and to maintain all life insurance policies on the lives of the employees listed on Section 5(m) of the Disclosure Schedule. In order to reflect the obligation of Hippographics, Inc. to maintain the Hippographics Plan and related life insurance policies, and to secure the obligations of Hippographics, Inc. with respect thereto, Hippographics, Inc. will enter into the Hippographics Pledge Agreement in the form and substance reasonably satisfactory to the Buyer, pursuant to which Hippographics, Inc. shall pledge to the Buyer a portfolio of securities with a fair market value of not less than One Million Dollars (\$1,000,000).

(e) Collection of Accounts Receivable. With respect to Accounts Receivable outstanding on the Closing Date and reflected in the calculation of Working Capital in the Final Closing Statement, the parties agree as follows:

(i) Weiss and the Sellers shall use their best efforts to assist the Buyer in collecting such Accounts Receivable;

(ii) The Buyer shall not compromise any Account Receivables for any reason unrelated to the creditworthiness of the applicable account debtor without the consent of the Sellers which consent shall not be unreasonably withheld;

(iii) Each of Sellers and Weiss shall remit to the Buyer, within two (2) business days of receipt, any proceeds received in respect of any Accounts Receivable, together with a statement specifying in reasonable detail the Accounts Receivable to which such proceeds relate;

(iv) If the proceeds received by Buyer (either directly or pursuant to clause (iii) above) from collections of the Accounts Receivable

outstanding on the Closing Date do not exceed the amounts reflected for them on the Final Closing Statement by the following dates, then the following consequences shall result:

- (A) In the case of Accounts Receivable from Citibank, N.A. and First USA, to the extent the Buyer has not received the full amount reflected on the Final Closing Statement within 270 days of the Closing Date, Sellers and Weiss shall pay to the Buyer the short-fall; and
- (B) In the case of all Accounts Receivable not covered by clause (A), above, to the extent the Buyer has not received the full amount thereof reflected on the Final Closing Statement within 120 days of the Closing Date, Sellers and Weiss shall pay to the Buyer the short-fall and, except for Compromised Accounts Receivable, Buyer shall assign such uncollected Accounts Receivable to Sellers and cease doing business with such defaulting account debtors; subject to Buyer fulfilling any then existing contractual obligations to such defaulting account debtors. In addition, to the extent any specific Account Receivable subject to this clause (B) can be proven to be uncollectable (e.g., as a result of the bankruptcy of the account debtor) prior to 120 days after the Closing Date, Weiss and Sellers shall pay to Buyer the unpaid amount thereof upon receipt from Buyer of an assignment of such Account Receivable;

(v) If the Buyer and the Sellers cannot agree on the appropriateness of one or more specific adjustments to Accounts Receivable which are unrelated to the creditworthiness of the account debtor, then at such time as there are no further Accounts Receivable as to which there can be a dispute between Sellers and Buyer with respect to the appropriations of an adjustment, the outstanding matter(s) will be resolved by arbitration which shall be conducted in the manner described in Section 11(a) hereof (herein, any Accounts Receivable which are so adjusted are referred to as "Compromised Accounts Receivable"); and

(vi) Notwithstanding anything else herein to the contrary if the aggregate amount collected (including payments from Weiss and the Sellers

under this Section 7(e)) by Buyer on account of Accounts Receivable outstanding on the Closing Date is more than the dollar amount (net of any reserves) utilized in the calculation of Working Capital on the Closing Date, as finally determined under Section 3 hereof, the Buyer shall pay to Sellers such excess promptly after the receipt thereof by Buyer.

(f) Use of Name. Following the Closing and continuing thereafter indefinitely, each Seller shall not, directly or indirectly, use or otherwise exploit the names "Forms, Inc.," "Spectra Graphics" or "Spectra Mail" or any derivative thereof or any other trade name, domain name, trademark or service mark similar or confusingly similar thereto or used or held for use in the Purchased Business. On the Closing Date, Spectra Graphics shall amend its articles of incorporation to remove the name "Forms, Inc." from its corporate name and shall terminate the rights to the fictitious name "Spectra Graphics," and Mail shall amend its articles of incorporation to remove the name "Spectra Mail" from its corporate name.

(g) Undertakings Related to 401(k) Plan.

(1) Sellers shall amend or cause to be amended the Hippographics 401(k) Thrift Plan and Trust ("Sellers' 401(k) Plan") to provide that, effective as of the Closing Date, (a) each employee of any Seller who is hired by Buyer and who is a participant in Sellers' 401(k) Plan (each, a "Transferred Employee") shall be fully vested in his or her account balance under such plan, and (b) each Transferred Employee will be allocated matching contributions for the period beginning January 1, 1999 and ending on the Closing Date as if they had been employed by Sellers as of the last day of 1999. In addition, the Sellers' 401(k) Plan shall be modified to permit the Sellers to make matching contributions for the period from the Closing Date to December 31, 1999, even if no Transferred Employee is able to make any contribution to the Sellers' 401(k) Plan during such period (herein, any such contribution a "Supplemental Company Match Contribution"), as if Transferred Employees had continued making pre-tax contributions under Sellers' 401(k) Plan during such period at the same rate as they were making such contributions as of the Closing Date.

(2) Buyer shall establish a defined contribution plan ("Buyer's 401(k) Plan") as soon as practicable following the Closing Date but no later than February 29, 2000. Buyer's 401(k) Plan shall provide to the Transferred Employees benefits comparable in the aggregate to those provided by the Sellers under the Sellers' 401(k) Plan on the date hereof; provided, however, that nothing in this paragraph (2) shall in any way limit or restrict Buyer's ability to amend the Buyer's 401(k) Plan at any time after the Closing Date in any manner it deems desirable.

(3) To the extent all Transferred Employees are not entitled to receive distributions from the Sellers' 401(k) Plan, the Sellers and Buyer shall, in good faith, explore ways to either transfer the current account balances under Sellers' 401(k) Plan, including the balance of any outstanding loans of each Transferred Employee directly to the trust under Buyer's 401(k) Plan or otherwise cause all Transferred Employees to receive such distributions and be able to rollover such distributions, including the balance of outstanding loans, to the trust under Buyer's 401(k) Plan.

(h) License to Use Name "Newtown CPC." Buyer shall have the non-exclusive right for a period of five (5) years after the Closing to use the name "Newtown CPC" in connection with the conduct of the Newtown Business.

8. Conditions to Obligation to Close.

(a) Conditions to Obligation of the Buyer and TPI. The obligation of the Buyer and TPI to consummate the transactions to be performed by it in connection with the Closing is subject to satisfaction of the following conditions:

(1) each representation and warranty set forth in Section 4(a) and Section 5 above shall be true and correct in all respects (determined in all cases without reference to or qualification by any materiality contained therein) at and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date except for breaches thereof which in the aggregate shall not constitute a Material Adverse Effect;

(2) the Sellers and Weiss shall have performed and complied with all of their covenants hereunder in all material respects through the Closing;

(3) there shall not be in effect on the Closing Date any law, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by this Agreement or any of the Operative Agreements or which could reasonably be expected to otherwise result in a material diminution of the benefits of the transactions contemplated by this Agreement or any of the Operative Agreements to the Buyer, and there shall not be pending or threatened on the Closing Date any action, suit or proceeding in, before or by any governmental or regulatory authority which could reasonably be expected to result in the issuance of any such order or the enactment, promulgation or deemed applicability to the Buyer or the transactions contemplated by this Agreement or any of the Operative Agreements of any such law;

(4) the Sellers shall have delivered to the Buyer a certificate to the effect that each of the conditions specified above in Section 8(a)(1)-(3) is satisfied in all respects;

(5) the Existing Affiliate Leases shall be terminated and the existing owners of the Leased Premises located at 1 Forms Lane, Willow Grove, PA and 169 Friends Lane, Newtown, PA, and the Buyer shall have entered into the leases (the "Amended Leases") substantially in the forms attached hereto as Exhibits F and G;

(6) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated and the Parties shall have received all other authorizations, consents, and approvals of governments and governmental agencies referred to in Section 4(a)(1), Section 4(b)(2), and Section 6(b) above;

(7) the Buyer shall have received from counsel to the Sellers an opinion in form and substance as set forth in Exhibit H attached hereto, addressed to the Buyer, and dated as of the Closing Date;

(8) the Sellers and the Escrow Agent shall have entered into the Escrow Agreement;

(9) the Sellers shall have executed a guarantee to the Buyer of the payment of all Accounts Payable and Accounts Receivable between any of the Sellers and any of their Affiliates outstanding as of the Closing Date, all in form and substance reasonably satisfactory to the Buyer;

(10) all Material Consents (A) shall have been obtained, (B) shall be in form and substance reasonably satisfactory to the Buyer, (C) shall not be subject to the satisfaction of any condition that has not been satisfied or waived and (D) shall be in full force and effect;

(11) Weiss and the Sellers shall have delivered to the Buyer the General Assignment and the other Assignment Instruments; and

(12) all actions to be taken by the Sellers and Weiss in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to the Buyer and TPI.

The Buyer and TPI may waive any condition specified in this Section 8(a) if it executes a writing so stating at or prior to the Closing.

(b) Conditions to Obligation of the Sellers and Weiss. The obligation of the Sellers and Weiss to consummate the transactions to be performed by them in connection with the Closing is subject to satisfaction of the following conditions:

(1) each representation and warranty set forth in Section 4(b) above shall be true and correct in all respects (determined in all cases without reference to or qualification by any materiality contained therein) at and as of the Closing Date as though such representations and warranties were made on and as of the Closing Date except for breaches thereof which in the aggregate shall not constitute a Material Adverse Effect;

(2) the Buyer and TPI shall have performed and complied with all of their respective covenants hereunder in all material respects through the Closing;

(3) there shall not be any injunction, judgment, order, decree, ruling, or charge in effect preventing consummation of any of the transactions contemplated by this Agreement;

(4) the Buyer shall have delivered to the Sellers a certificate to the effect that each of the conditions specified above in Section 8(b)(1)-(3) is satisfied in all respects;

(5) the Buyer shall have executed the Amended Leases;

(6) all applicable waiting periods (and any extensions thereof) under the Hart-Scott-Rodino Act shall have expired or otherwise been terminated and the Parties shall have received all other authorizations, consents, and approvals of governments and governmental agencies referred to in Section 4(a)(1), Section 4(b)(2) and Section 6(b) above;

(7) the Buyer and TPI shall have executed the Assumption Agreement;

(8) the Material Consents shall have been obtained;

(9) the Sellers shall have received from both New York and Canadian counsel (which may be Yvon Bolduc, Esquire) to the Buyer and TPI opinions

in form and substance as set forth in Exhibits I and J, respectively, attached hereto, addressed to the Sellers and Weiss, and dated as of the Closing Date; and

(10) all actions to be taken by the Buyer and TPI in connection with consummation of the transactions contemplated hereby and all certificates, opinions, instruments, and other documents required to effect the transactions contemplated hereby will be reasonably satisfactory in form and substance to Weiss and the Sellers.

Each of the Sellers and Weiss may waive any condition specified in this Section 8(b) if it or he executes a writing so stating at or prior to the Closing.

9. Remedies for Breaches of this Agreement.

(a) Survival of Representations and Warranties and Covenants.

Notwithstanding any right of the Buyer (whether or not exercised) to investigate the Purchased Business or any right of any party (whether or not exercised) to investigate the accuracy of the representations and warranties of the other party contained in this Agreement, each of Weiss and the Sellers, on the one hand, and TPI and the Buyer, on the other hand, have the right to rely fully upon the representations, warranties, covenants and agreements of the other contained in this Agreement. The representations, warranties, covenants and agreements of Weiss, each Seller, TPI and the Buyer contained in this Agreement will survive the Closing (a) indefinitely with respect to (i) the representations and warranties contained in Sections 4(a)(1), 4(a)(3), 4(b)(1), 4(b)(2), 4(b)(4), 5(a) and 5(bb) and (ii) the covenants and agreements contained in Sections 2(e)(3), 2(e)(4), 7(a), 11(c) and 11(l), (b) until sixty (60) days after the expiration of all applicable statutes of limitation (including all periods of extension, whether automatic or permissive) with respect to matters covered by Section 5(q) and (insofar as they relate to ERISA or the Code) Section 5(m) and Section 7(e), (c) until the third anniversary of the Closing Date with respect to matters covered by Sections 5(i), 5(l) and 5(n), (d) until the second anniversary of the Closing Date in the case of all other representations and warranties and any covenant or agreement to be performed in whole or in part on or prior to the Closing or (d) with respect to each other covenant or agreement contained in this Agreement, until sixty (60) days following the last date on which such covenant or agreement is to be performed or, if no such date is specified, indefinitely; provided that any representation, warranty, covenant or agreement that would otherwise terminate in accordance with clause (b), (c), (d) or (e) above will continue to survive if a Third Party Claim shall have been timely given under Section 9 on or prior to such termination date, until the related claim for indemnification has been satisfied or otherwise resolved as provided in Section 9.

(b) Indemnification Provisions for Benefit of the Buyer Indemnified

Parties.

(1) Each of the Sellers and Weiss jointly and severally agrees to indemnify, defend and hold harmless the Buyer Indemnified Parties from and against the entirety of any Adverse Consequences any of the Buyer Indemnified Parties may suffer, incur or sustain resulting from, arising out of, relating to, in the nature of, or caused by any breach (or alleged breach) of any representation or warranty or nonfulfillment of or failure to perform any covenant or agreement of the Sellers or Weiss contained in this Agreement.

(2) Each of Weiss and the Sellers jointly and severally agrees to indemnify, defend and save harmless the Buyer Indemnified Parties from and against the entirety of any Adverse Consequences any of the Buyer Indemnified parties may suffer, incur or sustain as a transferee or successor, by contract, or otherwise, resulting from, arising out of, relating to or in the nature of any Excluded Liabilities (including without limitation Taxes of the Sellers and any of the unpaid Taxes of any Affiliate of the Sellers under Reg. Section 1.1502-6 (or any similar provision of state, local, or foreign law)).

(3) The Buyer shall not be entitled to receive indemnification under the provisions of this Section 9 (other than Section 9(b)(2)) until such time as the claims subject to indemnification under this Section 9 exceed, in the aggregate, the sum of One Hundred Thousand Dollars (US\$100,000) in the aggregate, in which event the Buyer Indemnified Parties shall be entitled to claim indemnification for the amount of such Adverse Consequences in excess of One Hundred Thousand Dollars (\$100,000).

(4) Notwithstanding anything contained in this Section 9 to the contrary, no amount of indemnity shall be payable (x) in the case of a claim by a Buyer Indemnified Party for any breach of a representation or warranty contained in Sections 5(i), 5(l), 5(m)(insofar as it relates to ERISA or the Code), 5(n), 5(q) and 5(bb), once the Buyer Indemnified Parties have received payments from Weiss and the Sellers in respect of such claims of \$15,000,000 in the aggregate, and (y) in the case of any other claim under Section (9)(b)(1) (other than any claims relating to a breach of a representation or warranty contained in Sections 4(a)(1), 4(a)(2), 4(a)(3) or 5(a) or to a breach of the covenants contained in Sections 7(a), 7(b), 11(c) and 11(l), for which there is no dollar limit), once the Buyer Indemnified Parties have received payments from Weiss and the Sellers in respect of such claims of \$7,000,000 in the aggregate.

(c) Indemnification Provisions for Benefit of the Seller Indemnified

Parties.

(1) Each of the Buyer and TPI jointly and severally agrees to indemnify defend and hold harmless the Seller Indemnified Parties from and against the entirety of any Adverse Consequences any of the Seller Indemnified Parties may suffer, incur or sustain resulting from, arising out of, relating to, in the nature of, or caused by, any breach (or alleged breach) of any representation or warranty or nonfulfillment of or failure to perform any covenant contained in this Agreement.

(2) Each of the Buyer and TPI jointly and severally agrees to indemnify, defend and save harmless the Seller Indemnified Parties from and against the entirety of any Adverse Consequences any of the Seller Indemnified Parties may suffer, incur or sustain as a transferee or successor by contract, or otherwise, resulting from, arising out of, relating to or in the nature of any Assumed Liabilities.

(d) Matters Involving Third Parties.

(1) If any third party shall notify any Party (the "Indemnified Party") with respect to any matter (a "Third Party Claim") which may give rise to a claim for indemnification against the other Party (the "Indemnifying Party") under this Section 9, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing. The Indemnifying Party will notify the Indemnified Party as soon as practicable within the Dispute Period whether the Indemnifying Party disputes its liability to the Indemnified Party under this Section 9 and whether the Indemnifying Party desires, at its sole cost and expense, to defend the Indemnified Party against such Third Party Claim.

(2) Any Indemnifying Party will have the right at any time within the Dispute Period to assume and thereafter conduct the defense of the Third Party Claim with counsel of his or its choice reasonably satisfactory to the Indemnified Party, at the sole cost and expense of the Indemnifying Party, by all appropriate proceedings, which proceedings will be vigorously and diligently prosecuted by the Indemnifying Party to a final conclusion or will be settled at the discretion of the Indemnifying Party; provided, however, that the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (not to be withheld unreasonably) unless the judgment or proposed settlement involves only the payment of money damages and does not impose an injunction or other equitable relief upon the Indemnified Party.

(3) Unless and until an Indemnifying Party assumes the defense of the Third Party Claim as provided in Section 9(d)(2) above, the Indemnified Party may defend against the Third Party Claim in any manner he or it reasonably may deem appropriate.

(4) In no event will the Indemnified Party consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of each of the Indemnifying Parties.

(5) If the Indemnifying Party fails to notify the Indemnified Party within the Dispute Period that the Indemnifying Party desires to defend the Third Party Claim pursuant to Section 9(d), or if the Indemnifying Party gives such notice but fails to prosecute vigorously and diligently or settle the Third Party Claim, then the Indemnified Party will have the right to defend, at the sole cost and expense of the Indemnifying Party, the Third Party Claim by all appropriate proceedings, which proceedings will be prosecuted by the Indemnified Party in good faith or will be settled at the discretion of the Indemnified Party (with the consent of the Indemnifying Party, which consent will not be unreasonably withheld). The Indemnified Party will have full control of such defense and proceedings, including any compromise or settlement thereof; provided, however, that if requested by the Indemnified Party, the Indemnifying Party will, at the sole cost and expense of the Indemnifying Party, provide reasonable cooperation to the Indemnified Party and its counsel in contesting any Third Party Claim which the Indemnified Party is contesting. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this Section 9(d), and the Indemnifying Party will bear its own costs and expenses with respect to such participation.

(6) If the Indemnifying Party notifies the Indemnified Party that it does not dispute its liability to the Indemnified Party with respect to the Third Party Claim under Section 9 or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes its liability to the Indemnified Party with respect to such Third Party Claim, the Loss arising from such Third Party Claim will be conclusively deemed a liability of the Indemnifying Party under Section 9 and the Indemnifying Party shall pay the amount of such Loss to the Indemnified Party on demand following the final determination thereof. If the Indemnifying Party has timely disputed its liability with respect to such claim, the Indemnifying Party and the Indemnified Party will proceed in good faith to negotiate a resolution of such dispute, and if not resolved through negotiations within the Resolution Period, such dispute shall be resolved by arbitration in accordance with Section 9(d)(8).

(7) In the event any Indemnified Party should have a claim under Section 9 against any Indemnifying Party that does not involve a Third Party Claim, the Indemnified Party shall deliver a written notice (an "Indemnity Notice") with reasonable promptness to the Indemnifying Party. The failure by any Indemnified Party to give the Indemnity Notice shall not impair such party's rights hereunder except to the extent that an Indemnifying Party demonstrates that it has been irreparably prejudiced thereby. If the

Indemnifying Party notifies the Indemnified Party that it does not dispute the claim described in such Indemnity Notice or fails to notify the Indemnified Party within the Dispute Period whether the Indemnifying Party disputes the claim described in such Indemnity Notice, the Loss arising from the claim specified in such Indemnity Notice will be conclusively deemed a liability of the Indemnifying Party under Section 9 and the Indemnifying Party shall pay the amount of such Loss to the Indemnified Party on demand following the final determination thereof. If the Indemnifying Party has timely disputed its liability with respect to such claim, the Indemnifying Party and the Indemnified Party will proceed in good faith to negotiate a resolution of such dispute, and if not resolved through negotiations within the Resolution Period, such dispute shall be resolved by arbitration in accordance with Section 9(d)(8).

(8) Any dispute submitted to arbitration pursuant to this Section 9(d) shall be finally and conclusively determined by the decision of a board of arbitration consisting of three (3) members (hereinafter sometimes called the "Board of Arbitration") selected as hereinafter provided. Each of the Indemnified Party and the Indemnifying Party shall select one (1) member and the third member shall be selected by mutual agreement of the other members, or if the other members fail to reach agreement on a third member within twenty (20) days after their selection, such third member shall thereafter be selected by the American Arbitration Association upon application made to it for a third member possessing expertise or experience appropriate to the dispute jointly by the Indemnified Party and the Indemnifying Party. The Board of Arbitration shall meet in Philadelphia, Pennsylvania or such other place as a majority of the members of the Board of Arbitration determines more appropriate, and shall reach and render a decision in writing (concurred in by a majority of the members of the Board of Arbitration) with respect to the amount, if any, which the Indemnifying Party is required to pay to the Indemnified Party in respect of a claim filed by the Indemnified Party. In connection with rendering its decisions, the Board of Arbitration shall adopt and follow such rules and procedures as a majority of the members of the Board of Arbitration deems necessary or appropriate. To the extent practical, decisions of the Board of Arbitration shall be rendered no more than thirty (30) days following commencement of proceedings with respect thereto. The Board of Arbitration shall cause its written decision to be delivered to the Indemnified Party and the Indemnifying Party. Any decision made by the Board of Arbitration (either prior to or after the expiration of such thirty (30) day period) shall be final, binding and conclusive on the Indemnified Party and the Indemnifying Party and entitled to be enforced to the fullest extent permitted by law and entered in any court of competent jurisdiction. Each party to any arbitration shall bear its own expense in relation thereto, including but not limited to such party's attorneys' fees, if any, and the expenses and fees of the Board of Arbitration shall be divided between the Indemnifying Party and the Indemnified Party in the same proportion as the portion of the

related claim determined by the Board of Arbitration to be payable to the Indemnified Party bears to the portion of such claim determined not to be so payable.

(e) Exclusive Remedy. The Buyer and TPI, on the one hand, and Weiss and the Sellers, on the other hand, acknowledge and agree that the foregoing indemnification provisions in this Section 9 shall be the exclusive remedy of the Buyer, TPI, Weiss and the Sellers with respect to the transactions contemplated by this Agreement.

(f) Environmental Remedies. Without limiting the generality of Section 9(e), above, the Buyer understands and agrees that its right to indemnification under Section 9(b)(1) for breach of the representations and warranties contained in Section 5(n) hereof shall constitute its sole and exclusive remedy against the Sellers with respect to any breach of representation or warranty regarding any environmental, health, or safety matter relating to the past or current facilities, properties or operations of any of the Sellers, provided that this paragraph does not apply to or limit any indemnification for any Excluded Liability.

10. Termination.

(a) Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(1) the Buyer and the Sellers may terminate this Agreement by mutual written consent at any time prior to the Closing;

(2) at any time before the Closing, by any Seller or the Buyer, in the event (i) of a material breach hereof by the non-terminating party if such non-terminating party fails to cure such breach within five (5) business days following notification thereof by the terminating party or (ii) upon notification of the non-terminating party by the terminating party that the satisfaction of any condition to the terminating party's obligations under this Agreement becomes impossible or impracticable with the use of commercially reasonable efforts if the failure of such condition to be satisfied is not caused by a breach hereof by the terminating party; and

(3) at any time after 11:59 P.M. on October 22, 1999 (or, if later, the fourth business day following the date on which the condition set forth in Section 8(a)(10) has been satisfied by any Seller with respect to the Material Consents or the Buyer), upon notification of the non-terminating party by the terminating party if the Closing shall not have occurred on or before such date and such failure to consummate is not caused by a breach of this Agreement by the terminating party.

(b) Effect of Termination. If any Party terminates this Agreement pursuant to Section 10(a) above, all rights and obligations of the Parties hereunder shall terminate without any liability of any Party to the other Party (except for any liability of any Party then in breach); provided, however, that the provisions with respect to confidentiality contained in Section 6(d) above and with respect to expenses contained in Section 11(k) below shall survive termination. The Buyer acknowledges that the restrictions contained in Section 6(d) are necessary for the protection of the business and goodwill of the Sellers and are reasonable for such purpose. The Buyer agrees that any breach of Section 6(d) by it will cause irreparable damage to the Sellers and that in the event of such breach, the Sellers shall be entitled to seek, in addition to monetary damages and to any other remedies available to the Sellers under this Agreement and at law, equitable relief, including injunctive relief, and to seek payment by Buyer of all costs incurred by the Sellers in enforcing the provisions of this Agreement, including reasonable attorneys' fees. Notwithstanding any other provision in this Agreement to the contrary, upon termination of this Agreement pursuant to Section 10(a)(2) or 10(a)(3), Weiss and each Seller will remain liable to the Buyer for any willful breach of this Agreement by Weiss or any Seller existing at the time of such termination, and the Buyer will remain liable to the Sellers for any willful breach of this Agreement by the Buyer existing at the time of such termination, and any Seller or the Buyer may seek such remedies, including damages and fees of attorneys, against the other with respect to any such breach as are provided in this Agreement or as are otherwise available at law or in equity.

11. Miscellaneous.

(a) Arbitration.

(1) Except as otherwise provided in this Agreement, all disputes concerning this Agreement shall be decided by arbitration in accordance with the commercial rules and regulations of the American Arbitration Association (except to the extent such rules and regulations are inconsistent with the provisions of this Section 11).

(2) If the Parties agree on one arbitrator, the arbitration shall be conducted by such arbitrator. If the Parties do not so agree, each Party shall each select one independent, qualified arbitrator. If an even number of arbitrators is selected, such arbitrators shall select an additional arbitrator.

(3) Each Party reserves the right to object to any individual arbitrator who is employed by or affiliated with an organization that competes with such Party.

(4) The Parties shall have the right to conduct discovery as specified for up to three months. Such discovery shall include the right to take depositions and subpoena witnesses.

(5) At the request of any Party, arbitration proceedings shall be conducted in the utmost secrecy. In such case, all documents, testimony and records shall be received, heard and maintained by the arbitrators in secrecy under seal, available for the inspection only of the Parties and their respective attorneys and experts who have agreed in advance in writing to receive and maintain all such information in confidence until such information becomes generally known.

(6) The arbitrators shall act by majority vote. The arbitrators shall issue a written opinion of their findings of fact and their conclusions of law at the request and at the expense of either Party.

(7) The arbitrators shall be able to decree any and all relief of an equitable nature, including, without limitation, such relief as a temporary restraining order and a preliminary or permanent injunction, and shall also be able to award damages, with or without an accounting, and costs, except that the prevailing Party shall be entitled to its reasonable attorneys fees. The decrees or judgment of an award rendered by the arbitrators shall be binding upon the Parties and may be entered in any court having jurisdiction thereof.

(8) Reasonable notice of the time and place of arbitration shall be given to all Persons as required by law. Such Persons and their authorized representative shall have the right to attend or participate in all the arbitration hearings in such manner as the law requires.

(b) Press Releases and Public Announcements. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement prior to the Closing without the prior written approval of TPI (which shall not be unreasonably withheld), the Buyer, Weiss and the Sellers; provided, however, that any Party (including, for this purpose, G.T.C. Transcontinental Group Ltd.) may make any public disclosure which in the opinion of its counsel is required by applicable law or any listing or trading agreement concerning its publicly-traded securities (in which case the disclosing Party will use its reasonable best efforts to advise the other Parties prior to making the disclosure).

(c) Confidentiality. Each Party will hold, and will use its best efforts to cause its Affiliates, (and in the case of the Buyer, any Person who has provided, or who is considering providing, financing to the Buyer to finance all or any portion of the Purchase

Price,) and their respective representatives to hold, in strict confidence from any Person (other than any such Affiliate, Person who has provided, or who is considering providing, financing or representative), unless (i) compelled to disclose by judicial or administrative process (including without limitation in connection with obtaining the necessary approvals of this Agreement and the transactions contemplated hereby of governmental or regulatory authorities) or by other requirements of law or (ii) disclosed in an action, suit or proceeding brought by a party hereto in pursuit of its rights or in the exercise of its remedies hereunder, all documents and information concerning the other party or any of its Affiliates furnished to it by the other party or such other party's representatives in connection with this Agreement or the transactions contemplated hereby, except to the extent that such documents or information can be shown to have been (a) previously known by the party receiving such documents or information, (b) in the public domain (either prior to or after the furnishing of such documents or information hereunder) through no fault of such receiving party, (c) independently developed by the Buyer, TPI or their Affiliates and not based upon or derived from any confidential information or (d) later acquired by the receiving party from another source if the receiving party is not aware that such source is under an obligation to another party hereto to keep such documents and information confidential; provided that following the Closing the foregoing restrictions will not apply to the Buyer's use of documents and information concerning the Purchased Business, the Purchased Assets or the Assumed Liabilities furnished by any Seller hereunder. In the event the transactions contemplated hereby are not consummated, upon the request of the other party, each party hereto will, and will cause its Affiliates, any Person who has provided, or who is considering providing, financing to such party and their respective representatives to, promptly redeliver or cause to be redelivered all copies of documents and information furnished by the other party in connection with this Agreement or the transactions contemplated hereby and destroy or cause to be destroyed all notes, memoranda, summaries, analyses, compilations and other writings related thereto or based thereon prepared by the party furnished such documents and information or its representatives.

(d) No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

(e) Entire Agreement. This Agreement and the documents referred to herein (including the Operative Agreements) constitute the sole and entire agreement among the Parties and supersede any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof and thereof, including without limitation that certain letter of intent dated August 26, 1999 between the Parties.

(f) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of his or its rights, interests, or obligations hereunder without the prior written approval of the Buyer, TPI, Weiss and the Sellers; provided, however, that the Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates or any financial institution providing purchase money or other financing to the Buyer from time to time as collateral security for such financing, and (ii) designate one or more of its Affiliates to perform its obligations hereunder (and in the case of either clause (i) or (ii), the Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder).

(g) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

(h) Notices. All notices, requests, demands, claims, and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given if (and then two business days after) it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

If to the Sellers or Weiss:

Laurence N. Weiss
1536 Washington Lane
Meadowbrook, PA 19046

Copy to:

Richard J. Braemer, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
1735 Market Street - 51st Floor
Philadelphia, PA 19103

If to the Buyer:

Yvon Bolduc, Vice President
of Legal Affairs
G.T.C. Transcontinental Group, Ltd.
1 Place Ville Marie, Suite 3315
Montreal (Quebec) H3B3N2

Copy to:

Luc A. Despins, Esq.
Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, NY 10005

Any Party may send any notice, request, demand, claim, or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail, or electronic mail), but no such notice, request, demand, claim, or other communication shall be deemed to have been duly given unless and until it actually is

received by the intended recipient. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(i) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York.

(j) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties hereto. Any term or condition of this Agreement may be waived at any time by the party that is entitled to thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

(k) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

(l) Expenses. The Buyer, on the one hand, and Weiss and the Sellers, on the other hand, will bear their own respective costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby. Notwithstanding any provision to the contrary contained herein, the Buyer shall be solely responsible for and shall pay any and all filing fees relating thereto, any and all filings required under the Hart-Scott-Rodino Act.

(m) Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

(n) Incorporation of Exhibits, Annexes, and Schedules. The Exhibits, Annexes, and Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

**TRANSCONTINENTAL PRINTING
U.S.A. INC.**

By: *L. Foldice*
Title: *Secretary*

TRANSCONTINENTAL PRINTING, INC.

By: *L. Foldice*
Title: *Secretary*

FORMS, INC. t/a SPECTRA GRAPHICS

By: *[Signature]*
Title: *Chairman*

SPECTRA MAIL, INC.

By: *[Signature]*
Title: *Chairman*

NEWTOWN BUSINESS FORMS CORP.

By: *Harriet Weiss*
Title: *Pres*

[Signature]
Laurence N. Weiss

DISCLOSURE SCHEDULE SECTION 1(a)(i)

Equipment

See attached depreciation schedules

DISCLOSURE SCHEDULE SECTION 1(a)(ii)

Tangible Property Leases

Term Lease Master Agreement dated August 2, 1995 and commencing August 18, 1995 (extended on September 9, 1998), by and between Spectra Graphics and IBM Credit Corporation, 3900 OW1 Printer, SN# 50415

Term Lease Supplement dated December 22, 1998 by and between Spectra Graphics and IBM Credit Corporation.

4000 - ID1 IBM Infoprint 4000 Model SN# 13172

4000 - ID2 IBM Infoprint 4000 Model SN# 14172

Truck Lease and Service Agreement dated October 11, 1991, as amended, by and between Ryder Truck Rental, Inc. and Spectra Graphics

(1) 1998 (VPA 97) FRTL FL 70 S/A STTRK

(1) 1998 Morgan GVSD97-24

Master Equipment Lease Agreement and Master Maintenance Agreement each dated February 24, 1998 by and between Oce Printing Systems USA, Inc. and Spectra Graphics

(1) 2240 IPEC SN# 60340

Lease Agreement dated February 22, 1999 by and between Spectra Graphics and Eastern Lift Truck Co., Inc.

(1) New Drexel Forklift Model SLT 30 SN# 9480091096

Lease Agreement undated by and between Spectra Graphics and Eastern Lift Truck Co., Inc.

(3) Used Yale forklifts Model ERC040 SN# 550738, 550739, 550740

Equipment Lease dated May 1, 1999 by and between Spectra Graphics and Natural Partners, LP

(2) Bowe cutters

(1) Bowe cutter

(2) M80 Folder B1231 8 page only SN 11935, 11936

(2) Self Control Assembly 16 pin

(2) M80 Folder B123 8 page only SN# 11934, 11933

(2) Self Control Assembly 16 pin

- (1) Standard Register 2500 Series Burster
- (124) Interlake uprights 42"x16"
- (684) B096 x 4" Interlake NS Beam
- (24) Post Protectors 24"
- (96) Row spacers 8" (new)
- (1) Photo Control for Romp-2 199
- (1) EAM Mosca strapping machine P2 800xx400 SN# 53265
- (1) Glubind Quadra Plex w/purge SN# 1235
- (1) Glubind 4 head assembly
- (4) Mount Blue Head Assembly
- (1) Roll to Roll System
- (1) Stand Along Unwinder
- (3) Chuck set 5"
- (1) Stand Alone Unwinder
- (1) Chuck Set 5"
- (1) Chuck Set 6"
- (2) Pro DEC Floor Scale Platform 48x48 CAP 5000 L8x1C8 WT Model WI-125 D
Digitalmeter
- (1) Ramp 48x30
- (2) Powered Line Shaft Conveyor, 3 ft. main drive section, 16" between frame width
- (7) Powered Line Shaft Conveyor, 10 ft add on section, 16" between frame width
- (1) Powered Line-Shaft Conveyor, 90 degree curve, 16" between frame width
- (2) 320I Electric Mailing Machine S/N 365827 and 368845
- (1) 8 Station 9800 C Inserter
- (1) Kirk Rudy Base with Stamp Head
- (1) M80 8 Page folder
- (2) Dial a Stacker
- (1) Reliant stream feeder
- (1) Standard Interstacker
- (1) Kirk Ruby Label Head
- (1) Linx Tabber
- (2) Rebuilt 6 Station Inserters

DISCLOSURE SCHEDULE SECTION 1(a)(iii)

Prepaid Expenses as of July 31, 1999

Description	Spectra Graphics	Newtown (PA)
Taxes	\$3,700	\$37,355
Health Insurance	\$57,200	\$18,559
Dues and Subscriptions	-	\$1,699
Business Insurance	\$4,300	-
Repairs and Maintenance Contract	\$5,800	-
Workers Compensation	\$13,200	-
DPC Contracts	\$74,000	-
Mailshop Contract	\$7,700	-
Rent	\$38,800	-
Loan Payments	\$23,600	-
Miscellaneous	\$10,500	-
D+B Contract	\$2,900	-
<u>TOTAL</u>	242,600	57,613

DISCLOSURE SCHEDULE 2(g)

Required Consents

MATERIAL CONSENTS

Spectra Graphics

Direct Mail Agreement between First USA Bank and Spectra Graphics dated October 1, 1997.

Vendor Services Agreement between CitiCorp Credit Services, Inc. and Spectra Graphics effective 1/13/99 through 1/1/01.

Equipment Lease by and between Natural Partners, LP and Spectra Graphics dated May 1, 1999

Spectra Mail

None

Newtown

None

OTHER CONTRACTS

Spectra Graphics

Customer Contracts:

Printed Material Agreement between Universal Card Services Corp. and Spectra Graphics dated June 1, 1999 (Agreement No. 990058SGE).

MBNA America - Cash Activation Print/Manufacturing Supplier Quality Assurance Agreement dated October 1, 1996 with Spectra Graphics.

Supplier Contracts:

PSE&G Generation Service Purchase Agreement dated 4/30/99.

Financing Agreements:

Loan and Security Agreement by and between Spectra Graphics and Sunrock 6/2/97.

Spectra Mail

None

Newtown

Supplier Contracts:

PSE&G Generation Service Purchase Agreement dated 4/7/99.

Financing Agreements:

Credit Agreement dated November 30, 1989 between Newtown Business Forms Corporation and Laurence N. Weiss, t/a Newtown/Forms and Fidelity Bank, National Association (as last amended by the Eighth Amendment to Credit Agreement dated May 28, 1999 between Newtown Business Forms Corporation and First Union Commercial Corporation) and 1999 Promissory Note dated June 7, 1999 of Newtown Business Forms Corp. in favor of First Union Commercial Corporation.

DISCLOSURE SCHEDULE SECTION 4(a)(2)

Noncontravention

See Disclosure Schedule Section 2(g)

ATX Telecommunications Services Guaranteed Savings Plan (Spectra Graphics) requires 30 days notice prior to any assignment.

DISCLOSURE SCHEDULE SECTION 5(a)

Jurisdictions in which each Seller is Qualified to do Business

Qualified to do business in:

Spectra Graphics

PA

Spectra Mail

PA

Newtown

PA

NY

VA

DISCLOSURE SCHEDULE SECTION 5(c)(1)

Liens

See attached UCC Statements

Both the current and future assets (whether real, tangible or intangible) of Spectra Graphics and Newtown are subject to liens in favor of various creditors pursuant to the financing agreements discussed in Disclosure Schedule Section 5(s).

Spectra Graphics

See Attachments

Spectra Mail

See Attachments

Newtown

See Attachments

DISCLOSURE SCHEDULE SECTION 5(c)(2)

Investment Assets Included Among the Purchased Assets

Spectra Graphics

None

Spectra Mail

None

Newtown

None

DISCLOSURE SCHEDULE SECTION 5(f)

Events Subsequent to December 31, 1998

See Disclosure Schedule Section (5)(v)(i) relating to changes in the volume of revenues from the largest twenty (20) suppliers.

DISCLOSURE SCHEDULE SECTION 5(g)

Legal Compliance

Spectra Graphics

On February 13, 1993, Abington Memorial Hospital notified Spectra Graphics of a report prepared by Dames & Moore which indicated that water run-off had contaminated property adjacent to the One Forms Lane facility. In response, Spectra Graphics engaged TTI Environmental, Inc. to investigate the matter. On March 28, 1994, TTI Environmental, Inc. issued a report disputing the conclusions set forth in the Dames & Moore report and stating that the area was not environmentally contaminated. TTI Environmental, Inc. issued a copy of its findings to PA DEP. No further action has resulted from this matter;

Spectra Graphics was notified in 1994 that it might be a potentially responsible party with respect to Frontier Chemical Superfund Site Niagra Falls, NY and waste hauled by a carrier utilized by Spectra Graphics. Spectra Graphics has received no notice since and believes the matter has been resolved;

PA DEP noted a single violation with respect to the keeping of one of the waste manifests on July 8, 1998;

Upper Moreland-Hatboro Joint Sewer Authority notified Spectra Graphics on January 2, 1996 that ammonia levels emitted from the One Forms Lane facility were too high;

Upper Moreland-Hatboro Joint Sewer Authority notified Spectra Graphics on July 2, 1997 that ammonia levels emitted from the One Forms Lane facility were too high. A letter from Kim Williams dated September 24, 1997 addressed this issue;

Upper Moreland-Hatboro Joint Sewer Authority notified Spectra Graphics on August 19, 1999 that ammonia levels emitted from the One Forms Lane facility were too high. A letter from Kim Williams dated September 8, 1999 addressed this issue; and

The IRS has made several adjustments with respect to Spectra Graphics' 1994 and 1995 tax returns.

Spectra Mail

None

Newtown

Newtown agreed to an extension of the statute of limitations with respect to assessments under the NY Corporate Franchise Tax. The extension is dated May 24, 1999 and runs through September 15, 2000.

DISCLOSURE SCHEDULE SECTION 5(h)

Real Property Leases

Spectra Graphics

None

Spectra Mail

Spectra Mail leases real property pursuant to a sub-lease agreement between Gilfour-Russell Partnership and Spectra Mail, Inc. dated January 8, 1999.

Newtown

None

DISCLOSURE SCHEDULE SECTION 5(i)

Intellectual Property

Spectra Graphics

TRADEMARKS AND SERVICES MARKS

Spectra Graphics (Service Mark)(common law)(expired Reg. No. 1,086,597)(new federal registration is being prepared by BSA&I) *

DOMAIN NAME

www.spectrag.com

LICENSING AGREEMENTS FOR SOFTWARE

IBM

Group I Postal Software Agreement No.87-075A

Dynam D VSE License Agreement

Oce Software License Agreement

Off the shelf, non-proprietary software programs including but not limited to Windows 95, Windows 98, Office 95 Professional, Office 97 Professional, Office 97 Standard, NT Server 4.0, Lotus, Reflections, Maximizer 5.0, Winfax 8.0, Postmaster 1.5, PC Anywhere 9.0, Visual Basic 4.0

Spectra Mail

None

Continued

* SPECTRA GRAPHICS, Serial No. 75/827,991, pending

Newtown

DOMAIN NAME

www.newtown-cpc.com

LICENSING AGREEMENTS FOR SOFTWARE

Plantrol Unix 5.0.5 operating system with UBB application software

Other off the shelf, non-proprietary software programs including but not limited to Windows 98, Windows NT, WordPerfect, Lotus, Office 97

DISCLOSURE SCHEDULE SECTION (5)(j)(1)(i)(i)

Employment, Consultant, or Compensation Contracts

Spectra Graphics

DEFERRED COMPENSATION AGREEMENTS:

The following employees of Spectra Graphics have entered into Deferred Compensation Agreements with Hippographics, Inc., an Affiliate of the Sellers, pursuant to which Hippographics is obligated to provide employees certain retirement and/or death benefits.

Name	Date	Retirement Benefit	Period	Death Benefit	Period
Jane Fink	12/23/98	\$1,667/ mo.	120 months	N/A	N/A
Geoff Stroud	1/26/98	\$5,000/mo.	120 months	\$5,000/mo.	*
Ron Gladkowski	1/26/98	\$3333.33/mo.	180 months	\$2,500/mo.	*
Larry Stambaugh	1/26/98	\$2,500/mo.	180 months	\$1,875/mo.	*
Frank Weaver^	1/26/98	\$1,250/mo.	180 months	\$937.50/mo.	*
Patrick Sottile	1/26/98	\$5,000/mo.	120 months	\$5,000/mo.	*
James Corr	Not dated	\$13,862.42/m	120 months	**	**

*Through the longer of (i) 120 months, and (ii) the number of months until the employee would have turned 65.

**Benefit equals 100% of Corr's salary for the first year payable in monthly installments and monthly installments of 50% of his annual salary thereafter for the later to occur of 108 months or the month in which he would have turned 65.

^Weaver is also entitled to approximately \$10,000 in deferred bonuses from Spectra Graphics.

SALARY CONTINUATION AGREEMENTS:

Hippographics and Richard Weissman have entered into a Salary Continuation Agreement dated January 26, 1998. Pursuant to the terms thereof, upon his death, Weissman's estate shall receive \$7,500 per month through the longer of (i) 120 months from the month in which his death occurs, or (ii) the number of months until Weissman would have turned 65. This agreement terminates upon Weissman's turning 65.

GRAND-FATHERED DISABILITY PLAN:

The following Spectra Graphics employees were grand-fathered under American Standard Inc.'s short term disability policy:

Marilyn Balaban
Al Smith
Frank DeMarco
Ron Gladkowski
Larry Stambaugh
Maribeth Raybold

For at least the last three years, none of the foregoing employees has sought coverage under this plan, but rather have sought, and if eligible, received, short term disability payments under Spectra Graphics general short term disability policy.

EMPLOYMENT AGREEMENTS:

Employment Agreement between Spectra Graphics and Pat Anderson dated June 9, 1999

Position: Sales Representative
Salary: \$16,500 + draw against future commission

Employment Agreement between Spectra Graphics and David Cohen dated June 9, 1998

Position: Sales Representative
Salary: \$55,000

Agreement between Spectra Graphics and Ronald Gladkowski dated February 13, 1981

Position: Sales Representative
Salary: \$16,500 + commission

Employment Agreement between Spectra Graphics and Linda Kornswiet dated April 21, 1997

Position: Sales Representative
Salary: \$16,500 + commission

Employment Agreement between Spectra Graphics and Chad Rosenthal dated July 8, 1998

Position: Sales Representative
Salary: \$28,060

Employment Agreement between Spectra Graphics and Ginny Suhr dated January 16, 1995

Position: Sales Representative
Salary: \$16,500 + commission

Employment Agreement between Spectra Graphics and Cesare Cosenza dated January 5, 1999.
(Services are actually provided to Spectra Mail.)

Position: Sales Representative
Salary: \$115,000

Compensation Plan between Richard (Dick) Weissman and Larry Weiss dated January 22, 1993
revised February 1, 1994.

Position: President
Salary: \$175,000 + bonuses

Sales people no longer employed by Spectra Graphics yet still under Employment Agreements:

<u>Name</u>	<u>D/O Agreement</u>	<u>D/O Termination</u>	<u>Non-Compete Exp.</u>
Suzin Carr	4/25/94	4/12/99	4/12/00
John Graham	7/13/98	4/9/99	4/9/00
David DiStasio	6/14/98	1/29/99	1/29/00

Spectra Mail

See Cesare Cosenza contract listed above.

Newtown

Unemployment Compensation Cost Control Administrative and Management Advisory Services
Agreement between UCAC, Inc. and Newtown Business Forms dated June 1, 1996.

DISCLOSURE SCHEDULE SECTION 5(j)(1)(i)(ii)

Other Commitments or Programs

See Disclosure Schedule Section 5(m)

Spectra Graphics

On January 6, 1999, Larry Stambaugh was granted a conditional bonus of a vacation to the Caribbean.

On September 10, 1999, Jeff Gardosh was promised an all expenses paid weekend for two, including hotel accommodations, meals, and entertainment at a location of his choice.

Spectra Mail

None

Newtown

None

DISCLOSURE SCHEDULE SECTION 5(j)(1)(ii)

Noncompetition

None

DISCLOSURE SCHEDULE SECTION 5(j)(1)(iii)

Partnerships, Joint Ventures, Etc.

None

DISCLOSURE SCHEDULE SECTION 5(j)(1)(iv)

Contracts with Customers, Distributors, etc.

In addition to routine purchase orders received and executed in the Ordinary Course of Business, the Sellers have entered certain service, purchase or distribution agreements with:

First USA (set forth below)
Citibank (set forth below)
Aamco (set forth below)

Spectra Graphics

Spectra Graphics is a party to several Letter Agreements regarding Steve Walk's sales services dated 9/19/97, 9/25/97, 9/26/97 and 2/9/98.

Position:	Independent Sales Representative
Salary:	7% sales commission on the first \$5,000,000 of sales and 6% thereafter

Confidentiality Agreement between Spectra Graphics and American Express Travel Related Services Company, Inc. dated November 5, 1996.

Printed Material Agreement between Universal Card Services Corp. and Spectra Graphics dated June 1, 1999.

Confidentiality Agreement between Grey Direct Marketing Group, Inc. and Spectra Graphics dated September 29, 1994.

Quality Control Agreement between Spectra Graphics and Grey Ink dated September 29, 1994.

Quality Assurance Master Supply Agreement between MBNA American Bank, NA and Spectra Graphics dated October 1, 1996.

Confidentiality Agreement between MBNA America Bank, NA and Spectra Graphics dated June 20, 1996.

Seabury & Smith letter agreement dated December 8, 1997 approving Spectra Graphics as an AARP supplier.

Confidentiality and Pricing Agreements between Providian Life and Health Insurance Company

dated February 2, 1998.

Direct Mail Agreement between First USA Bank and Spectra Graphics effective October 1, 1997.

Vendor Service Agreements between Citicorp Credit Services, Inc. and Spectra Graphics dated October 21, 1997 and January 13, 1999.

Agreement No. GSA097D dated September 25, 1998 between AT&T Corp. and Spectra Graphics (as amended on May 28, 1999 and subject to an additional amendment effective October 1, 1999).

Although there are no written contracts, the Sellers have provided the following clients with grid pricing agreements:

- American Express
- CUC International
- DA Lewis
- Direct Pro
- First USA
- Grey Ink – Chase
- Hearst
- MBNA
- Seabury & Smith
- SETA
- USGI
- People's Benefit

Spectra Mail

None

Newtown

Aamco Pricing Agreement dated May 18, 1999

DISCLOSURE SCHEDULE SECTION 5(j)(1)(v)

Future Acquisition of Purchased Assets

Spectra Graphics

	<u>Payments to Date</u>	<u>Total Cost</u>
New nine color SR200 Variable Size Presses from RDP Marathon	\$364,511.00	\$1,494,794.00
Computer system from Streamline Solutions	\$5,000.00	\$40,000.00
Turret Rewinders from Graphic Equipment Corp.	\$33,870.30	\$112,901.00

Spectra Mail

None

Newtown

	<u>Payment to Date</u>	<u>Total Cost</u>
New six color press from RDP Marathon	\$361,292	\$722,584
Bale Shredder from Recycling Equipment, Inc.	\$3,700	\$7,400
50" Rewinder from B. Bunch	\$28,000	\$31,360

The above schedule is exclusive of any Purchase Orders accepted from customers in the ordinary course of business.

DISCLOSURE SCHEDULE SECTION 5(j)(1)(vi)

Collective Bargaining Agreements

Spectra Graphics

None

Spectra Mail

None

Newtown (PA)

None

DISCLOSURES SCHEDULE SECTION 5(j)(1)(vii)

**Other Material Contracts with Annual Commitments
In Excess of \$100,000**

Spectra Graphics and Spectra Mail:

See Disclosure Schedule 5(s) for a list of Financing Agreements

Spectra Graphics and Flint Ink Corporation Partnership Agreement dated January 1, 1998
between Spectra Graphics and Flint Ink Corporation

Consignment Billing Agreement dated April 20, 1998 between Spectra Graphics and Flint Ink
Corporation

Newtown:

See Disclosure Schedule 5(s) for a list of Financing Agreements

Agreement effective as of December 1, 1998 between Newtown CPC and Appleton Paper

DISCLOSURE SCHEDULE SECTION 5(j)(2)

Breaches or Default

None

DISCLOSURE SCHEDULE SECTION 5(j)(3)

Rights of Modification and Termination

ATX Telecommunications Services Guaranteed Savings Plan (Spectra Graphics) requires 30 days notice prior to any assignment.

DISCLOSURE SCHEDULE SECTION 5(k)

Powers of Attorney

Each of Newtown and Spectra Graphics is a party to certain financing documents referenced in Disclosure Schedule 5(s) that provide their respective lenders the authority to confess judgment against them in certain circumstances.

DISCLOSURE SCHEDULE SECTION 5(I)(1)

Pending Proceedings

Spectra Graphics

None

Spectra Mail

None

Newtown

None

DISCLOSURE SCHEDULE SECTION 5(1)(2)

Threatened or Anticipated Proceedings

Spectra Graphics

None

Spectra Mail

None

Newtown

None

DISCLOSURE SCHEDULE SECTION 5(1)(3)

Injunctions, Judgments, Orders, Etc.

Spectra Graphics

None

Spectra Mail

None

Newtown

None

DISCLOSURE SCHEDULE SECTION 5(m)

EMPLOYEE BENEFIT PLANS

HIPPOGRAPHICS DEFERRED COMPENSATION AND SALARY CONTINUATION PLAN covering Jim Corr, Jane Fink, Ron Gladkowski, Pat Sottile, Larry Stambaugh, Geoff Stroud and Frank Weaver previously disclosed in Disclosure Schedule Section 5(j)(1)(i)(i).

HIPPOGRAPHICS SALARY CONTINUATION PLAN covering Richard Weissman previously disclosed in Disclosure Schedule Section 5(j)(1)(i)(i).

Spectra Graphics, Spectra Mail and Newtown shared (Hippographics) benefit programs:

- *Annual company picnic*
- *401(k) Profit Sharing Plan (including Thrift Plan)*
- *Scholarship Awards*
 - Jack Glynn Scholarship - \$1000 tuition each school year for any employee or their family member enrolled as a full-time student at an accredited four year college or university.
 - Ron Minerger Scholarship - \$1000 tuition each school year for any family member enrolled as a full-time student in an accredited graduate degree program.
- *Service Awards* – appropriate gifts awarded at five year intervals
- *Choice of three medical plans* – Keystone HMO, Personal Choice and USHealthcare. Full medical coverage including hospitalization, major medical and prescription is available the first month following a 90 day trial period.
- *Optional dental plan*
- *Life insurance* equal to one times base salary to a maximum of \$50,000
- *Optional Life Insurance Plan*
- *Short term disability* coverage equal to 70% of base salary to a maximum of \$250/week for 13 weeks is provided after a one year waiting period.
- *Monthly shipping bonus* when targeted billing is achieved (*Pay for Performance*)

Spectra Graphics only:

- *10 Paid Holidays:*
 - New Year's Day
 - Day in conjunction with New Year's
 - Good Friday
 - Memorial Day
 - Independence Day
 - Labor Day

Thanksgiving

Day after Thanksgiving

Christmas

Day in conjunction with Christmas

- *Long term disability* provided for salaried personnel after a one year waiting period
- Management salary and bonus (*MICP*) program
- *Bonus days* given to all employees for perfect attendance
- *Quality Shares Bonus Program*
- *Perfect Attendance Awards* – all employees with perfect attendance receive gifts at the end of the year and a personal letter from the President.
- *1% Awards* – Find someone doing something special and recognize it with a 1% card (safety, housekeeping, productivity, quality); worth a free soda.
- *Quarterly Housekeeping Drawing* – all 1% awards recognizing good housekeeping are gathered each quarter and a name is drawn. The person selected receives a gift certificate at a restaurant of their choice worth \$60.
- *Christmas Drawing* – all 1% awards given that year are put in a box and six are drawn at random. Cash prizes are worth \$100 - \$500.
- *Employee of the Month* – Each month representatives are asked to nominate someone from their department. An employee group reviews the nominations and makes the selection. The winner has his picture taken which is posted with a write-up in the lobby and in the plant. Winners have a special parking place designated with their name and also receive a dinner gift certificate to a restaurant of their choice.
- *OUR Suggestions* – A suggestion box is located in the plant and is opened the 15th of every month. Suggestions are reviewed by an employee committee. Those implemented receive cash awards from \$15-\$50.
- *Monthly Safety Check* – Each month a piece of equipment is randomly selected on each shift for inspection. If all criteria are met, each press crew member receives a \$10 bill.
- *Quarterly Safety Incentive Program* – When the reportable injuries do not exceed one for the quarter, each department qualifying has lunch brought in.
- *Dinner for Two* – Recognition for a special contribution.

- On January 6, 1999, Larry Stambaugh was granted a conditional bonus of a vacation to the Caribbean.

- On September 10, 1999, Jeff Gardosh was promised an all expenses paid weekend for two, including hotel accommodations, meals, and entertainment at a location of his choice.

Newtown (PA) Only

- 10 Paid Holidays:
 - New Year's Day
 - Day in conjunction with New Year's

Presidents Weekend
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving
Christmas
Day in conjunction with Christmas

- Christmas bonus
- Quality Shares Bonus Program
- Management salary and bonus (MICP) program
- 1% Awards – cards for a free soda are put into an August drawing for cash prizes

SPECTRA MAIL ONLY:

- 10 Paid Holidays:
 - New Year's Day
 - Day in conjunction with New Year's
 - One floating holiday to be taken after April 1st
 - Memorial Day
 - Independence Day
 - Labor Day
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Day
 - Day in conjunction with Christmas
- Perfect Attendance Awards
- 1% awards
- OUR Suggestion program
- Quarterly Safety Incentive Program

DISCLOSURE SCHEDULE SECTION 5(n)

Environmental Health & Safety

See Disclosure Schedule Section 5(g)

DISCLOSURE SCHEDULE SECTION 5(o)(i)

Affiliate Transactions

Affiliate Companies

Newtown/CPC – Fredericksburg, VA
Newtown/CPC – Buffalo, NY
CRW Graphics – Pennsauken, NJ
Central Type & Supply Company
Hippographics, Inc.
Natural Partners

Inter-company transactions occur in the Ordinary Course of Business on a daily basis with regard to sales, manufacturing and/or purchasing and are treated as ordinary arms-length business transactions.

Specific Transactions

In addition to the routine arrangements set forth above, the following arms-length arrangements also exist:

Hippographics, Inc. – relationship to terminate at closing

Spectra Graphics

Spectra Graphics monthly rental payment of \$39,534.00 to Larry Weiss per Amendment of Lease Agreement dated January 1, 1987.

Natural Partners operating lease with Spectra Graphics for mailshop equipment.

See attachment

Spectra Mail

See Spectra Graphics Natural Partners Lease, above

Newtown

Newtown monthly rental payment of \$29,057 to Harriet Weiss per Second Amendment to Lease Agreement dated June 30, 1993.

DISCLOSURE SCHEDULE SECTION 5(o)(ii)

Exceptions to Settlement of Affiliate Transactions

None

DISCLOSURE SCHEDULE SECTION 5(p)

Material Changes

See Disclosure Schedule Section (5)(v)(i) relating to changes in the volume of revenues from the largest twenty (20) customers. The Sellers are not able to predict the level of future revenues from such customers.

DISCLOSURE SCHEDULE SECTION 5(p)(1)

Operation of Purchased Business

The following employees will earn more than \$100,000 in salary, wages or other compensation for 1999:

Richard Weissman	Spectra Graphics
Pat Sottile	Spectra Graphics
Geoff Stroud	Spectra Graphics
Frank Travaglione	Spectra Graphics
Ron Gladkowski	Spectra Graphics
Ginny Suhr	Spectra Graphics
Cesare Cosenza	Spectra Mail
Jim Corr	Newtown
Harriet Weiss	Newtown

Spectra Graphics and Spectra Mail

The attached list shows the employees who (i) earned base salary of \$31,000 or more (prior to giving effect to raises effective in 1999) and (ii) received a raise of greater than 3% in 1999.

Newtown

The attached list shows the employees who (i) earned base salary of \$31,000 or more (prior to giving effect to raises effective in 1999) and (ii) received a raise of greater than 3% in 1999.

Spectra Graphics MICP program no longer includes Frank Weaver but will include Rick Gregg instead.

Monthly Shipping Goals are revised annually.

Pay for Performance goals are revised annually.

DISCLOSURE SCHEDULE SECTION 5(p)(2)

Indebtedness

Spectra Graphics

Promissory Note dated 2/1/99 wherein Spectra Graphics agrees to pay General Electric Capital Corporation principal sum of \$1,343,589.54 for refinancing of various Didde printing presses listed below:

See attached list

Spectra Mail

None

Newtown

None

DISCLOSURE SCHEDULE SECTION 5(p)(3)

Damage to Property

None

DISCLOSURE SCHEDULE SECTION 5(p)(4)

Material Changes in Accounting

None

DISCLOSURE SCHEDULE SECTION 5(p)(5)

Asset Acquisitions and Dispositions

Spectra Graphics

New nine color SR200 Variable Size Press

See attached 1999 fixed asset acquisitions schedule for Spectra Graphics

Newtown

See attached 1999 fixed asset acquisitions schedule for Newtown

DISCLOSURE SCHEDULE SECTION 5(p)(6)

Renewals, Amendments, Modifications or Terminations

Spectra Graphics

Upper Moreland-Hatboro Joint Sewer Authority Industrial Waste Discharge Permit (No. 091088-0904) for the period beginning October 1, 1999 running through September 30, 2000.

Upper Moreland Township Mercantile License 99-95-082

Spectra Mail

None

Newtown

State of New Jersey Sales and Use Tax License 231-720-849/000

New York State Department of Taxation and Finance Certificate of Authority 23-1720849

Commonwealth of Pennsylvania Department of Revenue Sales Tax License 09152238

DISCLOSURE SCHEDULE SECTION 5(p)(7)

Capital Expenditures and Commitments

Spectra Graphics

See Disclosure Schedule Section 5(p)(5) list of fixed asset acquisitions.

An RDP nine color SR-200 variable size press has been ordered. Progress payments of \$747,397 have been made.

Two 17" VIP perf inserts have been purchased at a total cost of \$16,564.27 (not yet capitalized).

Newtown

See Disclosure Schedule Section 5(p)(5) list of fixed asset acquisitions

With respect to the RDP Marathon Press, progress payments of \$541,938 have been made.

DISCLOSURE SCHEDULE SECTION 5(p)(8)

Defaults under Contracts or Employee Benefit Plans

None

DISCLOSURE SCHEDULE SECTION 5(p)(9)

Notices of Default

None

DISCLOSURE SCHEDULE SECTION 5(p)(10)

Transactions Relating to Mergers and Acquisitions

Engagement of Berenson Minella & Company

DISCLOSURE SCHEDULE SECTION 5(p)(11)

Modification of Methods of Operation

None

DISCLOSURE SCHEDULE SECTION 5(p)(12)

Additional Agreements Relating to Items Covered by Section 5(p)

None

DISCLOSURE SCHEDULE SECTION 5(p)(13)

Other Material Changes

None

DISCLOSURE SCHEDULE SECTION 5(q)(1)

Jurisdictions in which Sales, Payroll or Income Tax Returns Are Filed

See attachment

DISCLOSURE SCHEDULE SECTION 5(r)

Books and Records

While the Sellers retain ownership of their respective books and records, the maintenance of certain books and records is outsourced to third parties. Such books and records are available to the Sellers on demand. The foregoing generally (however, not exclusively) applies to books and records relating to payroll, insurance and employee benefits.

DISCLOSURE SCHEDULE SECTION 5(s)

Financing Arrangements and Other Liabilities

Spectra Graphics

- A. Loan and Security Agreement dated June 2, 1997 by and between Spectra Graphics and Sunrock Capital (Working Capital)
- B. Master Security Agreement dated December 14, 1994 by and between GECC and Spectra Graphics (two separate promissory notes, dated December 14, 1994 and February 1, 1999 respectively, make reference to this agreement)
- C. In 1997, Hippographics paid to Liberty Mutual \$137,074 for workers compensation reimbursements. In 1998, Hippographics paid to Liberty Mutual \$114,263 in workers compensation reimbursements. Thus far into 1999, Hippographics has paid to Liberty Mutual \$58,844 for workers compensation reimbursements. The respective policy numbers for 1997-1999 are Policy WC2-131-464740-013, Policy #WC2-131-464740-014 and Policy #WC2-131-464740-015. Hippographics' obligations under these policies are secured by a letter of credit in favor of Liberty Mutual. There are two open claims with respect to Spectra Graphics.

Spectra Mail

None

Newtown

- A. Credit Agreement dated November 30, 1989 between Newtown Business Forms Corporation and Laurence N. Weiss, t/a Newtown/Forms and Fidelity Bank, National Association (as last amended by the Eighth Amendment to Credit Agreement dated May 28, 1999 between Newtown Business Forms Corporation and First Union Commercial Corporation) and 1999 Term Note dated June 7, 1999 by and between Newtown Business Forms Corp., and First Union Commercial Corporation.
- B. In 1997, Hippographics paid to Liberty Mutual \$137,074 for workers compensation reimbursements. In 1998, Hippographics paid to Liberty Mutual \$114,263 in workers compensation reimbursements. Thus far into 1999, Hippographics has paid to Liberty Mutual \$58,844 for workers compensation reimbursements. The respective policy numbers for 1997-1999 are Policy WC2-131-464740-013, Policy #WC2-131-464740-014 and Policy #WC2-131-464740-015. Hippographics' obligations under these policies are

secured by a letter of credit in favor of Liberty Mutual. There is one open claim with respect to Newtown in Buffalo, NY.

DISCLOSURE SCHEDULE SECTION 5(t)

Licenses, Registrations and Permits

See Disclosure Schedule Section 5(i) for software licenses

Spectra Graphics

Upper Moreland Township Mercantile License 99-95-082

Upper Moreland Township Business Privilege Registration 99-95-141

Upper Moreland-Hatboro Joint Sewer Authority Industrial Waste Discharge Permit (No. 091088-0904) for the period beginning October 1, 1999 running through September 30, 2000.

Commonwealth of Pennsylvania Occupancy Permit 238891

Commonwealth of Pennsylvania Department of Environmental Protection Permit No. OP-46-0023

State of Florida Certificate of Registration 78-36-076252-80

Maryland Sales and Use Tax License 06296434

Massachusetts Department of Revenue Sales and Use Tax Registration 5542302

New York State Department of Taxation and Finance Certificate of Authority 23-2131044

State of Connecticut Sales and Use Tax Permit 6954846-000

State of New Jersey Sales Tax Certificate of Authority 232-131-044-000

Commonwealth of Virginia Use Tax 0018171961

SPECTRA MAIL

Upper Moreland Business Privilege Registration 99-95-141

NEWTOWN

Newtown Township Certificate of Occupancy 5106

Bucks County Industrial Development Authority 1-070199

Commonwealth of Pennsylvania Occupancy Permit MA-125952

State of New Jersey Sales and Use Tax License 231-720-849/000

New York State Department of Taxation and Finance Certificate of Authority 23-1720849

Commonwealth of Pennsylvania Department of Revenue Sales Tax License 09152238

EPA Notification of Regulated Waste Activity PAD065380255

DISCLOSURE SCHEDULE SECTION 5(u)

Insurance

See attachment

All liability, property and worker's compensation insurance policies are purchased by Hippographics. These policies and premiums include Affiliated Companies as well.

<u>Type</u>	<u>Expiration</u>	<u>Company</u>	<u>Policy#</u>	<u>Premium</u>
Commercial Package	05/01/00	Chubb Group	35379730	\$83,701.95
Business Automobile (not VA)	05/01/00	Chubb Group	73245211	6,723.02
Worker's Compensation (not NY)	01/01/00	Managed Comp	80685712	220,063
Umbrella	05/01/00	Chubb Group	79775102	13,900
Notary Bond- Larry Stambaugh	07/24/00	Kemper	35E879471	100
Crime	05/01/02	Continental (Casualty NA)	169658588	2,852 Annual

See attached for itemized policy limits.

Medical Insurance premiums vary from month to month as our employees experience life changes but are based on the following rate schedule through 12/31/99.

Rates	Traditional	Personal	Keystone Health	Spectra Graphics	Newtown	Aetna
	Blue Cross	Choice	Plan East with	Well Net	Well Net	USHealthcare
	Blue Shield		Pediatric Dental	Prescription	Prescription	
			& \$35 Vision			

	Option 1B	PC 10	Keystone 10	\$5/\$10/\$20 RX Card	\$5/\$10/\$20 RX Card	
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Employee	\$318.75	\$174.50	\$152.50	\$24.19	\$24.40	\$155.70
Employee & Child	\$603.14	\$267.34	\$304.40	\$41.45	\$41.82	\$291.10
Empl. & Children	\$638.68	\$385.29	\$444.50	\$41.45	\$41.82	\$291.10
Husband & Wife	\$711.75	\$401.35	\$304.40	\$60.57	\$61.11	\$345.80
Family	\$747.29	\$515.65	\$444.50	\$69.68	\$70.31	\$454.50

Dental Plans are optional and are entirely employee paid based on the following rate schedule in effect through 12/31/99:

<u>United Concordia</u>		<u>Aetna-USHealthcare</u>	
Single	\$27.26/mo.	Single	\$8.40
Other	\$71.24/mo.	Parent/Child	\$16.60
		Parent/Children	\$31.70
		Husband/Wife	\$16.60
		Family	\$31.70

Life/AD&D coverage is provided for every employee up to one times salary or a maximum of \$50,000.

Continental Assurance Co. L45250A7AA-54748

Monthly Premium

Spectra Graphics	\$1,154.74
Newtown	<u>340.78</u>
	\$1,495.52

Additional Optional Life Insurance coverage can be purchased by each employee based on the rate schedule below:

US Life Policy #V021691

See attached chart

Short Term Disability coverage provided by The Guardian Policy #318569 at a total monthly premium of \$2,093.70 based on a rate of \$0.40 per \$10 of benefit

Long Term Disability coverage is available to salaried personnel at Spectra Graphics at a cost of approximately \$700 per month based on a renewal rate of \$0.40 guaranteed until September 1, 2000 on UNUM Policy #0367402.

DISCLOSURE SCHEDULE SECTION 5(v)(i)

Customers

20 Largest Customers for 1998

Spectra Graphics and Spectra Mail

List attached – Top 20

NOTE: See attached schedules titled Spectra Graphics Top 30 Accounts from January-June 1999 and Citibank and FUSA/FCCS Sales Comparison. While the Sellers expect to continue relationships at or near the present levels with these customers it is impossible to predict the volume of business the Sellers are likely to receive.

Newtown

List attached – Top 20

DISCLOSURE SCHEDULE SECTION 5(v)(ii)

Suppliers

15 Largest Suppliers for 1998

Spectra Graphics and Spectra Mail

List attached – Top 15

Newtown

List attached – Top 15

DISCLOSURE SCHEDULE SECTION 5(w)

Accounts Receivable

Accounts Receivable are pledged as collateral for Sunrock and First Union Bank financing. See Disclosure Schedule Section 5(s).

Certain clients require the inclusion of tracking or other identifying numbers to be included on the Sellers' invoices and will return invoices lacking such identification. The Sellers, accordingly, hold such invoices ("Held Invoices") until the proper numbers are assigned. The Held Invoices are, however, collected in the Ordinary Course of Business.

DISCLOSURE SCHEDULE SECTION 5(x)

Inventory

Inventory is pledged as collateral for Sunrock and First Union Bank financing. See Disclosure Schedule Section 5(j)(1)(vii) Section 5(s).

Some paper on site or at the Lansdale warehouse is the property of our customers and not included on the balance sheet as a part of Inventory.

Some inks, plates and/or film on site are on consignment from our suppliers and are not included on the balance sheet as part of Inventory.

Paper that has been held unused for 1 year is termed "Obsolete Paper", written off and not included on the balance sheet as part of Inventory. Such paper is used for set-up.

DISCLOSURE SCHEDULE SECTION 5(y)

Vehicles

1999 Ford Truck F250	1FTWF20L9XEB75046
1998 Morgan Truck	1FV6HLAC1XHB44205 (leased from Ryder for 78 months beginning January 28, 1999)
1985 Mack Yard Jockey	1M1W136X7FA009908

DISCLOSURE SCHEDULE SECTION 5(aa)

Shared Facilities, Services or Other Arrangements

Insurance is purchased by an Affiliate of the Sellers and appropriate costs are allocated to each segment of the Purchased Business.

The name Newtown CPC is used by Newtown at each of its three locations.

See Disclosure Schedule Section 5(m).

See Disclosure Schedule Section 5(o)(i)

DISCLOSURE SCHEDULE SECTION 5(dd)

Year 2000

Spectra Graphics and Spectra Mail

MANAGEMENT INFORMATION SYSTEMS: Lan. This is Windows NT based and is fully Year 2000 compliant.

ACCOUNTING: Use a Hewlett Packard 3000 and custom programs written in business basic. The hardware has been successively tested as Year 2000 compliant, while the software has been tested and areas were found not to be compliant. We have reprogrammed the software to correct the areas not in compliance, and will implement the changes by 11/1/99.

DATA CENTER:

All hardware is Year 2000 compliant. The following software has been identified as being non-compliant:

- a) VSE operating system – latest version available is compliant
- b) DOCS software used for programs visual displays is not compliant. The latest version available is compliant.
- c) Cobol: The version of Cobol we use is not compliant. The latest version available is compliant.
- d) Group One Merge Purge software. The version we are using is not compliant. The latest version available is compliant.

NOTE: We have decided to move to a PC environment in the Data Center which will be fully implemented by 12/1/99 and will be fully Year 2000 compliant. Updated main frame software has been ordered and will be installed by 11/15/99. We will run parallel systems into the year 2000.

Newtown

See attachment

Each of the Sellers has made an effort to assess its potential exposure to problems associated with the Year 2000. Except as set forth below, each of the Sellers believes that it, its equipment, hardware and software is Y2K compliant. However, no assurance or guarantee can be given that Y2K compliance will be achieved or that the Purchased Business will not suffer a Materially Adverse Effect.

LAW OFFICES

BALLARD SPAHR ANDREWS & INGERSOLL, LLP

1735 MARKET STREET, 51ST FLOOR
PHILADELPHIA, PENNSYLVANIA 19103-7599
215-665-8500
FAX: 215-864-8999
LAWYERS@BALLARDSPAHR.COM

BALTIMORE, MD
CAMDEN, NJ
DENVER, CO
SALT LAKE CITY, UT
VOORHEES, NJ
WASHINGTON, DC

ERIC S. SANTORO
DIRECT DIAL: 215-864-8794
PERSONAL FAX: 215-864-9396
SANTORO@BALLARDSPAHR.COM

September 11, 2000

BY U.S. EXPRESS MAIL
NO. EL 558586146 US

U.S. Patent and Trademark Office
Office of Public Records
Attn: Customer Service Counter
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

Re: Recordation of Asset Purchase Agreement Assigning the Service Mark SPECTRA GRAPHICS, Serial No. 75/827,991, from Forms, Inc. to Transcontinental Printing U.S.A. Inc.

Dear Sir or Madam:

On behalf of Forms, Inc., I enclose for recordation a duly executed Asset Purchase Agreement together with Disclosure Schedule, transferring ownership of the service mark SPECTRA GRAPHICS (Serial No. 75/827,991) from Forms, Inc. (Assignor) to Transcontinental Printing U.S.A. Inc. (Assignee). Also enclosed is the USPTO's Recordation Cover Sheet.

Please charge our deposit account, #02-0755, for the recordation fee and for any additional applicable charges or fees. Please date-stamp the enclosed copy of this letter and return it to me in the enclosed self-addressed stamped envelope.

Should you have any questions concerning this filing, I can be reached at (215) 864-8794. Thank you for your attention.

Sincerely yours,



Eric S. Santoro

ESS:jda

CERTIFICATE OF EXPRESS MAILING - 37 C.F.R. § 1.10

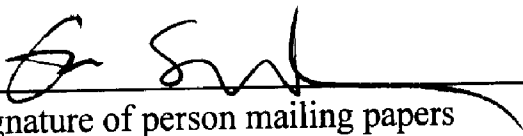
Express Mail mailing number: EL 558581912 US

Date of Deposit: September 11, 2000

I hereby certify that the foregoing Request for Recordation and accompanying Asset Purchase Agreement, together with Disclosure Schedule, for the mark SPECTRA GRAPHICS, Serial No. 75/827,991, is being deposited with the United States Postal Service "Express Mail Post Office to Addressee" service under 37 C.F.R. § 1.10 on the date indicated above and is addressed to the U.S. Patent and Trademark Office, Office of Public Records, Attn: Customer Service Counter, 1213 Jefferson Davis Highway, 3rd Floor, Arlington, VA 22202.

Eric S. Santoro

Type or printed name of person mailing papers


Signature of person mailing papers