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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
Effective Date
Month Day Year

Change of Name
 Other

Conveying Party

Mark if additional names of conveying parties attached.

Execution Date
Month Day Year

Name

Formerly

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

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RECORDATION FORM COVER SHEET
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Enter Additional Conveying Party

Execution Date
Month Day Year

Name

Formerly

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Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached.

Enter Additional receiving party

Name

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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 Assignment.)

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)

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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)

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

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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.) #

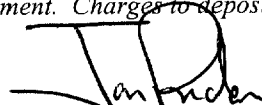
Deposit Account Number:

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.

Jonathan E. Pruden
Name of Person Signing


Signature

March 1, 2001
Date Signed

BILL OF SALE AND ASSIGNMENT
AND ASSUMPTION AGREEMENT

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION
AGREEMENT (this "Agreement"), dated as of December 29, 2000, by and between AmeriComm Direct Marketing, Inc., a Delaware corporation, ("Seller"), and AmeriComm Acquisition Company, LLC, a Virginia limited liability company ("Buyer"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Asset Purchase Agreement (as defined below).

WHEREAS, Buyer and Seller have entered into that certain Asset Purchase Agreement (the "Asset Purchase Agreement"), dated as of November 7, 2000, as amended as of December 15, 2000, pursuant to which Seller has agreed to sell, assign and transfer to Buyer, and Buyer has agreed to purchase, acquire and assume from Seller, all right, title and interest of Seller in and to all Assets and Assumed Liabilities;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Seller does hereby sell, assign, transfer, convey and deliver to Buyer all of the right, title and interest of Seller in, to and under the Assets.
2. Buyer hereby assumes the Assumed Liabilities. Buyer does not assume and shall not be bound by any of the Excluded Liabilities of Seller, all of which shall remain the sole responsibility of Seller.
3. This Agreement is in accordance with, and is subject to all of the representations, warranties, covenants and exclusions set forth in, the Asset Purchase Agreement.
4. Seller will, at the request of Buyer, execute and deliver such other and further instruments of sale, assignment, transfer and conveyance and take such other and further actions as Buyer may reasonably request, with respect to the Assets, in order to make all of the rights of Seller in the Assets available to Buyer, to vest in Buyer and put Buyer in possession of the Assets and to transfer to Buyer any contracts and rights of Seller relating to the Assets and to assure to Buyer the benefits thereof and effectuate fully the purposes of this Agreement.
5. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns under the Asset Purchase Agreement. Except as expressly permitted under the Asset Purchase Agreement, no assignment of this Agreement or of any rights or obligations hereunder may be made by either party (by operation of law or otherwise) without the prior written consent of the other party hereto and any attempted assignment without such required consent shall be void.

6. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon, or give to, any person, firm or corporation other than Buyer and Seller and their respective successors and permitted assigns, any remedy or claim under or by reason of this instrument or any term, covenant or condition hereof, and all the terms, covenants and conditions, promises and agreements in this instrument contained shall be for the sole and exclusive benefit of Buyer and Seller and their respective successors and permitted assigns.

7. This Agreement may be amended, supplemented or modified, and any provision hereof may be waived, only pursuant to a written instrument making specific reference to this Agreement signed by each of the parties hereto.

8. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9. This Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the Bankruptcy Code and the substantive laws of the State of New York, except that any provisions contained herein relating to the conveyance of interests in real property shall be governed by the substantive laws of the State in which the Real Property is located, in each case without regard to the conflict of law principles thereof or of any other jurisdiction. No provision of this Agreement shall be construed against either party because such party drafted or caused to be drafted such provision. Each provision of this Agreement shall be construed as if such provision were proposed by both Buyer and Seller.

To have and to hold the Assets unto Buyer, its successors and assigns forever.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first above written.

AMERICOMM DIRECT MARKETING, INC.

By: Robert Kamerschen
Name: Robert Kamerschen
Title: Chairman and Chief Executive Officer

AMERICOMM ACQUISITION COMPANY, LLC

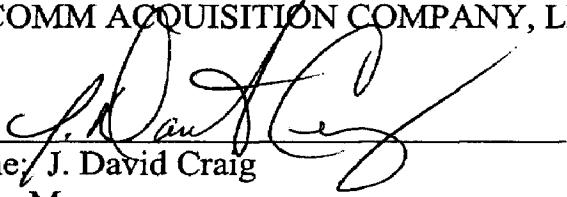
By: _____
Name: J. David Craig
Title: Manager

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first above written.

AMERICOMM DIRECT MARKETING, INC.

By: _____
Name: Robert Kamerschen
Title: Chairman and Chief Executive Officer

AMERICOMM ACQUISITION COMPANY, LLC

By:  _____
Name: J. David Craig
Title: Manager

ASSET PURCHASE AGREEMENT

dated as of November 7, 2000

between

AMERICOMM DIRECT MARKETING, INC.

and

AMERICOMM ACQUISITION COMPANY, LLC

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "Agreement") is dated as of November 7, 2000 by and between AmeriComm Direct Marketing, Inc., a Delaware corporation, ("Seller"), and AmeriComm Acquisition Company, LLC, a Virginia limited liability company ("Buyer").

WITNESSETH:

WHEREAS, Seller is engaged in direct mail marketing, data management, fulfillment, printing and creative and telemarketing services as AmeriComm Direct Marketing through six distinct business units, AmeriComm Data Direct, AmeriComm Direct Marketing Colorado, AmeriComm Direct Marketing Kentucky, AmeriComm Direct Marketing Virginia, Cardinal Marketing and Cardinal Telemarketing from business locations in Mountainside, New Jersey, Denver, Colorado, Louisville, Kentucky, Norfolk, Virginia, Coral Springs, Florida and Clifton, New Jersey and specializes in a number of niche businesses including retail program management, business application processing, credit and HELOC financial marketing, retail franchise direct marketing, total market coverage programs, retail data management and list services (which business units and operations are collectively referred to herein as the "Business");

WHEREAS, Seller commenced a case (the "Case") under chapter 11 of title 11 of the United States Code, 11 U.S.C. Sections 101 *et seq.* (the "Bankruptcy Code") on April 6, 2000 by filing a voluntary petition with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, the sale of assets and liabilities of the Business are subject to the supervision and control of Seller subject to the approval of the Bankruptcy Court; and

WHEREAS, Seller wishes to sell to Buyer and Buyer wishes to purchase from Seller certain assets and to assume from Seller certain liabilities of the Business, pursuant to, *inter alia*, Sections 363 and 365 of the Bankruptcy Code and the applicable Federal Rules of Bankruptcy Procedure.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the parties, intending to be legally bound, hereby agree as follows:

I. DEFINITIONS

1.1. Defined Terms. As used herein, the terms below shall have the following respective meanings:

"Affiliate" shall have the meaning set forth in (i) Rule 12b-2 of the General Rules and Regulations of the Securities Exchange Act of 1934, as amended, or (ii) Section 101 of the Bankruptcy Code.

“Agreement” shall mean this Asset Purchase Agreement (together with all schedules and exhibits referenced herein).

“Approval Order” shall have the meaning ascribed to such term in Section 7.1(b).

“Business Day” shall mean any day other than a Saturday, Sunday or a legal holiday on which banking institutions in the State of New York are not required to open.

“Governmental Entity” shall mean any (i) federal, state, local, municipal, foreign or other government; (ii) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal); or (iii) body exercising, or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, including any arbitral tribunal.

“HSR Act” shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and any successor law and the rules and regulations thereunder or under any successor law.

“Law” means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, order, principle of common law, judgment enacted, promulgated, issued, enforced or entered by any Governmental Entity, or other requirement or rule of law.

“Liabilities” shall mean, as to any Person, all debts, adverse claims, liabilities, commitments, responsibilities, and obligations of any kind or nature whatsoever, direct, indirect, absolute or contingent, of such Person, whether accrued, vested or otherwise, whether known or unknown and whether or not actually reflected, or required to be reflected, in such Person’s balance sheets or other books and records.

“Lien” shall mean any claim, pledge, option, charge, hypothecation, easement, security interest, right-of-way, encroachment, mortgage, deed of trust or other encumbrance.

“Material Adverse Effect” shall mean a material adverse effect on the Business, taken as a whole, or any development which could be reasonably expected to delay or prevent the consummation of the transactions contemplated hereby or which could be reasonably expected to materially and adversely affect the value of the Assets, taken as a whole.

“Order” shall mean any judgment, order, injunction, writ, ruling, decree, stipulation or award of any Governmental Entity or private arbitration tribunal.

“Permitted Liens” means:

(a) liens for taxes, assessments or governmental charges that are not yet due and payable;

(b) the rights of the lessors under the terms of the Equipment Leases and Real Property Leases; and

(c) warehousemen's, carriers', mechanics', materialmen's, contractors', or landlord statutory liens for amounts not yet due and payable.

"Person" shall mean an individual, a partnership, a joint venture, a corporation, a business trust, a limited liability company, a trust, an unincorporated organization, a joint stock company, a labor union, an estate, a Governmental Entity or any other entity.

"Post-Petition" shall mean any time after the commencement of the Case.

"Proceeding" shall mean any action, arbitration, audit, hearing, investigation, litigation, or suit (whether civil, criminal, administrative, investigative, or informal) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

"Representative" shall mean, with respect to any Person, such Person's officers, directors, employees, agents and representatives (including any investment banker, financial advisor, accountant, legal counsel, agent, representative or expert retained by or acting on behalf of such Person or its subsidiaries).

"Sale Hearing" shall mean the hearing to be scheduled and conducted by the Bankruptcy Court to consider approval and entry of the Approval Order.

"Sale Motion" shall mean the motion or motions of Seller, in form and substance reasonably acceptable to Buyer, seeking approval and entry of the Scheduling Order and the Approval Order.

"Scheduling Order" shall mean an Order of the Bankruptcy Court, in form and substance reasonably satisfactory to Buyer, as more particularly described in Section 6.14(b) of this Agreement.

"Tax" or **"Taxes"** shall mean any federal, state, county, local, foreign and other income, profits, gains, net worth, sales and use, ad valorem, gross receipts, business and occupation, license, estimated, stamp, custom duties, occupation, property (real or personal), franchise, capital stock, license, excise, value added, payroll, employees, income withholding, social security, unemployment or other tax, any penalty, addition to tax and interest on the foregoing.

"Transfer Tax" or **"Transfer Taxes"** shall mean any federal, state, county, local, foreign and other sales, use, transfer, conveyance, documentary transfer, recording or other similar tax, fee or charge imposed upon the sale, transfer or assignment of property or any interest therein or the recording thereof, and any penalty, addition to tax or interest with respect thereto, but such term shall not include any tax on, based upon or measured by, the net income, gains or profits from such sale, transfer or assignment of the property or any interest therein.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act of 1988, as amended, and any successor Law, and the rules and regulations thereunder and under any successor law.

1.2. Other Defined Terms. The following additional terms shall have the meanings defined for such terms in the Sections set forth below:

<u>Term</u>	<u>Section</u>
Assets	2.1
Assumed Contracts	2.1(e)
Assumed Liabilities	2.3(a)
Bankruptcy Code	Recitals
Bankruptcy Court	Recitals
Business	Recitals
Business Locations	2.1(c)
Buyer	Recitals
Case	Recitals
Claims	2.2(h)
Closing	3.1(a)
Closing Date	3.1(a)
Competing Transaction	6.15
Cure Amounts	2.5
Damages	9.2(a)
Earnest Money Deposit	3.2
Employees	6.6
Equipment	2.1(c)
Equipment Leases	2.1(b)
Excluded Assets	2.2
Excluded Liabilities	2.4
Expense Reimbursement	6.14(d)
Financing Commitment	5.7
Indemnified Party	9.2(c)
Indemnifying Party	9.2(c)
Inventory	2.1(f)
Licenses	2.1(d)
Notice	9.2(c)
Overbid Procedure	6.14(c)
Owned Real Property	2.1(a)
Purchase Price	3.2
Real Property Leases	2.1(a)
Seller(s)	Recitals

1.3. Other Definitional Provisions.

(a) The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both singular and plural forms of such terms.

II. TRANSFER OF ASSETS AND LIABILITIES

2.1. Assets to be Sold. Subject to Section 2.2, the other provisions of this Agreement and the Approval Order, at Closing, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire, and accept the following assets and rights (collectively, the "Assets"):

(a) The leases or subleases and all amendments thereto under which Seller is a lessor or lessee or sublessor or sublessee of real property relating to the operation of the Business (collectively, the "Real Property Leases") which relate to the operation of the Business and any real property which is owned by such Seller and which is used in the operation of the Business (the "Owned Real Property"), each as listed on Schedule 2.1(a);

(b) The equipment leases which relate to equipment used in the operation of the Business (the "Equipment Leases"), as set forth on Schedule 2.1(b);

(c) The furniture, fixtures, equipment, machinery, supplies, motor vehicles (other than those motor vehicles which are leased) and other tangible personal property used by Seller in the operation of the Business, including, without limitation, all of the tangible personal property held by Seller at the business locations set forth on Schedule 2.1(a) (the "Business Locations") (collectively, the "Equipment"), and all warranties, if any, express or implied, existing for the benefit of such Seller in connection with the Equipment to the extent transferable;

(d) Any licenses, permits, franchises and other authorizations of any Governmental Entity relating to the Assets and to the operation of the Business (collectively, the "Licenses") which are listed on Schedule 2.1(d), to the extent the same are transferable or assignable;

(e) The contracts and agreements of the Seller pertaining to and necessary for operation of the Business in the ordinary course (collectively, the "Assumed Contracts"), as set forth on Schedule 2.1(e);

(f) The merchandise and supply inventory relating exclusively to the Business held for sale by Seller, wherever located, including, without limitation, at the Business Locations (collectively, the "Inventory"), all purchase orders and all warranties, if any, express or implied, existing for the benefit of Seller in connection with the Inventory, to the extent transferable;

(g) Accounts receivable;

(h) That certain note receivable from Crane Productions, Inc. payable to Seller (in the principal amount as of the date hereof of \$208,742.00) (the "Note"), any post-Closing payments made with respect to the Note and any security for the payment of the Note;

(i) Any books, records, files or papers of Seller, whether in hard copy or computer format, relating exclusively to the Assets or to the operation of the Business, including, without limitation, management information systems or software owned by the Seller (except as described in Section 2.6), engineering information, sales and promotional literature, manuals and

data, sales and purchase correspondence, personnel and employment records, customer lists, vendor lists, resident mailing lists, catalogs, research material, URLs, source codes, technical information, trade secrets, technology, know-how, specifications, designs, drawings, processes and quality control data, if any, or any other intangible property and applications for the same; and

(j) Any of Seller's right, title or interest in or to any of Seller's packaging designs or trade dresses, any derivatives or combinations thereof, any patents, patent registrations, patent applications, trademarks, trademark registrations, trademark applications, tradenames, copyrights, copyright applications, or copyright registrations relating exclusively to the Business, including, without limitation, the name "Americomm Label Systems";

(k) All Claims (other than Claims referred to in Section 2.2(e)) which Seller may have against any third parties with respect to the Assets.

(l) All prepaid expenses of the Business (excluding the Earnest Money Deposit); and

(m) All other assets of Seller which are reasonably necessary to the operation of the Business as historically conducted, specifically excluding the Excluded Assets.

2.2. Excluded Assets. The Assets shall not include any of Seller's right, title or interest in or to the following assets or properties of Seller (collectively, the "Excluded Assets"):

(a) Cash and cash equivalents or similar type investments, uncollected checks, bank accounts, certificates of deposit, Treasury bills and other marketable securities (other than proceeds of the Note);

(b) Any security, vendor, utility or other deposits;

(c) Any contracts or agreements other than the Assumed Contracts, the Equipment Leases or the Real Property Leases;

(d) Any assets and any rights under any plan or any agreement relating to employee benefits, employment or compensation of Seller or its respective employees;

(e) All rights, demands, claims, actions and causes of action (collectively, the "Claims") that Seller or any of its Affiliates may have against any third party, including any Governmental Entity, for causes of action based on Chapter 5 of the Bankruptcy Code and for refund or credit of any type with respect to Taxes accrued with respect to periods ending on or prior to the Closing Date;

(f) All Claims which Seller or any of its Affiliates may have against any third Person with respect to any Excluded Assets; and

(g) Any insurance policy, insurance claims and proceeds, except as otherwise provided herein.

2.3. Liabilities to be Assumed by Buyer. Upon the transfer of the Assets on the Closing Date, Buyer shall assume and pay when due and discharge the following Liabilities (collectively, the "Assumed Liabilities"):

(a) Liabilities arising out of the ownership of the Assets and the operation of the Business by Buyer or its affiliates, including, without limitation, Liability for personal injury of customers or employees, but only to the extent that the event or state of facts giving rise to such Liability occurs Post-Closing;

(b) Liabilities under the Real Property Leases assumed under this Agreement arising from and after the Closing, but only to the extent that the event or state of facts giving rise to such Liability occurs Post-Closing;

(c) Liabilities under the Assumed Contracts, but only to the extent that the event or state of facts giving rise to such Liability occurs Post-Closing;

(d) Liabilities under the Equipment Leases, but only to the extent that the event or state of facts giving rise to such Liability occurs Post-Closing;

(e) Accounts payable related to the Business, together with any interest accrued thereon, but only to the extent that the event or state of facts giving rise to such Liability occurs Post-Petition;

(f) Liabilities related to the termination of employment after the Closing of any Person by Buyer who becomes an employee of Buyer, including, but not limited to any Liability arising under the WARN Act, but only to the extent that the event or state of facts giving rise to such Liability occurs after the Closing;

(g) Liabilities related to earned but unpaid salary, accrued but unpaid vacation days, accrued but unpaid medical and dental expenses and other accrued welfare benefits of employees or former employees of Seller employed in connection with the Business and, whether or not accrued, any obligations under Section 4980B of the Internal Revenue Code to provide continuation of group medical coverage with respect to any Employee or other qualified beneficiary that occur after the Closing; and

(h) Liabilities for any and all Transfer Taxes due as a result of the transactions contemplated by this Agreement, other than any applicable state sales Transfer Taxes, which shall be the responsibility of Seller.

2.4. Excluded Liabilities. Except as otherwise set forth in this Agreement, Buyer shall not assume, and shall be deemed not to have assumed, any Liabilities except for the Assumed Liabilities, and Seller shall be solely and exclusively liable with respect to all Liabilities of Seller other than the Assumed Liabilities (collectively, the "Excluded Liabilities"), including, but not limited to, those Liabilities set forth below:

(a) Any Liabilities which arise, whether before, on or after the petition, out of, or in connection with, the Excluded Assets;

(b) Any Liabilities under the Assumed Contracts or account payables, to the extent that the event or state of facts giving rise to such Liability does not occur Post-Closing;

(c) Any Liabilities under the Equipment Leases or the Real Property Leases to the extent that the event or state of facts giving rise to such Liability does not occur Post-Closing, unless otherwise specified;

(d) Any Liabilities arising out of, or in connection with, any Proceedings arising out of the operation of the Business to the extent that the event or state of facts giving rise to such Liability does not occur Post-Closing;

(e) Any Liabilities arising out of or in connection with any indebtedness of Seller or any of its Affiliates to their lenders or to their vendors of goods and services delivered or furnished to Seller that does not occur Post-Closing, except as otherwise provided in this Agreement;

(f) Except for Liabilities set forth in Section 2.3(g), any Liabilities attributable to, incurred in connection with, arising from, or relating to, any collective bargaining agreement, or any bonus, incentive, deferred compensation, medical, health, life or other insurance, welfare, fringe benefit, severance, termination, retention, consulting, change of control, employment, stock option, stock appreciation right, stock purchase, phantom stock or other equity-based, performance, pension, retirement or any other incentive, compensation or benefit plan, program, policy, agreement or arrangement (including, but not limited to, any "employee benefit plan" as defined in Section 3(3) of ERISA), sponsored, maintained, contributed to or required to be contributed to at any time by Seller or any trade or business which together with Seller would be deemed (or at any time would have been) a "single employer" within the meaning of section 4001 of ERISA (each, an "ERISA Affiliate"), for the benefit of any current or former employee, officer, director, agent or consultant of Seller, or any ERISA Affiliate, whether formal or informal and whether legally binding or not that does not occur after the Closing; and

(g) Any Liabilities for income Taxes of Seller and any other Taxes of Seller (other than those Transfer Taxes referred to in Section 2.3(h)), including, but not limited to, all Taxes attributable to, incurred in connection with or arising out of the operation of the Business including those which are not due or assessed until after the Closing Date but which are attributable to any period (or portion thereof) ending on or before the Closing Date.

2.5. Real Property Leases, Equipment Leases and Assumed Contracts. At Closing and pursuant to Section 365 of the Bankruptcy Code, Seller shall assume and assign to Purchaser the Real Property Leases, the Equipment Leases and the Assumed Contracts pursuant to an order of the Bankruptcy Court in form and substance reasonably satisfactory to Buyer and its counsel (the "365 Order"). The cure amounts, as determined by the Bankruptcy Court, if any (the "Cure Amounts"), necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Real Property Leases, the Equipment Leases and the Assumed Contracts, shall be paid by Seller and not by Buyer and Buyer shall have no Liability therefor.

2.6. Microsoft Software Licenses. There shall be excluded from the Assets being sold to Buyer hereunder the Microsoft software licenses currently held by Seller and which are used by Seller's other businesses (in addition to the Business). The parties shall use their commercially reasonable efforts following the Closing Date to amend, bifurcate or re-apply for such licenses so that the computer and related Equipment acquired by Buyer for use by the Business hereunder may have the benefit of such software licenses following the Closing.

III. CLOSING

3.1. Closing; Transfer of Possession; Certain Deliveries.

(a) Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Article VIII hereof, the closing of the transactions contemplated herein (the "Closing") shall take place as soon as practicable following entry of the Approval Order and the satisfaction of the Closing conditions. The Closing shall be held at the offices of Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, at 10:00 a.m., local time, unless the parties hereto otherwise agree. The actual time and date of the Closing are herein called the "Closing Date."

(b) At the Closing, Seller shall deliver to Buyer:

(i) A duly executed bill of sale in form and substance reasonably satisfactory to Buyer;

(ii) An assignment and assumption agreement in form and substance reasonably satisfactory to Buyer assigning to Buyer the Seller's rights and obligations under the Real Property Leases, the Equipment Leases and the Assumed Contracts arising from and after Closing;

(iii) One certified copy of the 365 Order;

(iv) One certified copy of the Approval Order for Seller transferring the Assets to Buyer free and clear of all liens (other than Permitted Liens);

(v) The officer's certificates required to be delivered pursuant to Section 7.2(c) hereof;

(vi) Certificates of title (if any) for any motor vehicles being sold to Buyer hereunder; and

(vii) All other instruments of conveyance and transfer, in form and substance reasonably acceptable to Buyer, as may be necessary to convey the Assets to Buyer or Buyer's designee.

(c) At the Closing, Buyer shall deliver to Seller:

(i) The Purchase Price in immediately available funds;

(ii) All certificates required by all relevant taxing authorities that are necessary to support any claimed exemption from the imposition of Transfer Taxes;

(iii) The officer's certificate required to be delivered pursuant to Section 7.3(c) hereof; and

(iv) All other instruments of transfer, in form and substance reasonably acceptable to Seller, as may be necessary to assume the Assumed Liabilities.

3.2. Purchase Price. In consideration for the Assets, and subject to the terms and conditions of this Agreement, Buyer shall assume the Assumed Liabilities as provided in Section 2.3 and at the Closing shall pay to Seller in immediately available funds, by wire transfer to an account or accounts designated by Seller, an amount in cash equal to \$12,000,000 (the "Purchase Price"); provided, however, that Buyer shall pay to Wilmington Trust Company, as escrow agent for Buyer and Seller (the "Escrow Agent") in immediately available funds, by wire transfer to an account or accounts designated by the Escrow Agent an earnest money deposit equal to \$600,000 (together with any interest thereon after the date hereof, the "Earnest Money Deposit"), half of which shall be payable to the Escrow Agent on or before the close of business November 10, 2000 and the balance of which shall be payable within three (3) Business Days after approval of the Expense Reimbursement and the Overbid Procedures. The Escrow Agent shall hold the Earnest Money Deposit in accordance with the terms of the Escrow Agreement attached hereto as Exhibit 3.2. The Earnest Money Deposit shall be delivered to the Seller at Closing by the Escrow Agent and deducted from the total Purchase Price payable at the Closing. If Buyer terminates this Agreement in breach of Section 8.1 hereof or if Seller terminates this Agreement pursuant to Sections 8.1(e) or (g), then Seller shall be entitled to retain the Earnest Money Deposit and shall have no further obligations to Buyer. If Buyer terminates this Agreement pursuant to Section 8.1 or 8.3 hereof, provided that Buyer is not in breach of this Agreement, or if Seller terminates this Agreement pursuant to Section 8.1(a), (b) (provided the failure to have a Closing on the date specified is not due to a breach by Buyer), (c) or (d), then Seller shall be obligated to return the Earnest Money Deposit to Buyer. If Seller terminates this Agreement pursuant to Section 8.1(f), then Seller shall be obligated to (i) return the Earnest Money Deposit to Buyer, (ii) pay to Buyer \$50,000, and (iii) reimburse Buyer for its reasonable out-of-pocket expenses in connection with the transactions contemplated herein in an amount not to exceed \$150,000 (ii and iii collectively, the "Walk-Away Expenses").

3.3. Allocation of Purchase Price. Seller shall, within 120 days after the Closing Date, prepare and deliver to Buyer a schedule (the "Allocation Schedule") allocating the Purchase Price and the Assumed Liabilities among the Assets in accordance with Treas. Reg. 1.1060-1T (or any comparable provisions of state or local tax law) or any successor provision. Buyer will have the right to raise reasonable objections to the Allocation Schedule within 10 days after its receipt thereof, in which event Buyer and Seller will negotiate in good faith to resolve such objections. If Buyer and Seller cannot mutually resolve Buyer's reasonable objections to the Allocation Schedule within 10 days after Seller's receipt of such objections, such dispute with respect to the Allocation Schedule shall be presented to an accounting firm to be mutually selected by Buyer and Seller, on the next day for a decision that shall be rendered by such accounting firm within thirty (30) calendar days thereafter and shall be final and binding

upon each of the parties. The fees, costs and expenses incurred in connection therewith shall be shared in equal amounts by Buyer and Seller. Buyer and Seller each shall report and file all Tax returns (including amended Tax returns and claims for refund) consistent with the Allocation Schedule, and shall take no position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any taxing authority or any other proceedings). Buyer and Seller shall cooperate in the filing of any forms (including Form 8594) with respect to such allocation, including any amendments to such forms required with respect to any adjustment to the Purchase Price, pursuant to this Agreement. Notwithstanding any other provisions of this Agreement, the foregoing agreement shall survive the Closing Date without limitation.

IV. REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

4.1. Existence, Good Standing and Power. Seller is a corporation validly existing and in good standing under the laws of the State of its incorporation as specified in the Recitals, and has all requisite power and authority to own, lease and operate its Assets to be sold hereunder. Seller has all requisite power and authority to conduct its business as presently conducted. Subject to entry of the Approval Order, Seller has all requisite power and authority to execute and deliver this Agreement and the other documents and instruments to be executed and delivered by such Seller and to perform its obligations hereunder and thereunder.

4.2. Authority. The execution, delivery and performance of this Agreement and the other agreements contemplated hereby to be executed and delivered by Seller and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Seller.

4.3. Execution and Binding Effect. This Agreement has been duly and validly executed and delivered by Seller and constitutes, and each of the other agreements to be executed and delivered by Seller pursuant hereto upon its execution and delivery by Seller will constitute (assuming in each case the due and valid authorization, execution and delivery thereof by the other parties thereto and the entering of the Approval Order), a valid and legally binding obligation of Seller enforceable against Seller in accordance with its respective terms.

4.4. No Violation. Except as disclosed in Schedule 4.4, the execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby, do not and will not conflict with or result in, with or without the giving of notice or lapse of time or both, any violation of or constitute a breach or default, or give rise to any right of acceleration, payment, amendment, cancellation or termination, under (a) the certificate of incorporation or bylaws of such Seller or any resolution adopted by the board of directors of such Seller and not rescinded, (b) subject to entry of the Approval Order, any agreement or other instrument to which Seller is a party or by which such Seller or any of its respective properties or assets is bound, except to the extent such violation would not have a Material Adverse Effect, (c) subject to entry of the Approval Order, any Order of any Governmental Entity to which Seller is bound or subject, (d) subject to entry of the Approval Order, any Law applicable to Seller or any of its respective properties or assets, except to the extent such violation would not have a Material

Adverse Effect or (e) except as provided for herein, result in the imposition or creation of any Lien upon or with respect to any of the Assets.

4.5. Third Party Approvals. Except for (i) any approvals required in order to comply with the provisions of the HSR Act, if necessary, (ii) the Approval Order and (iii) any other third party approvals as are reflected on Schedule 4.5 hereto, the execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby do not require any consents, waivers, authorizations or approvals of, or filings with, any third Persons which have not been obtained by Seller.

4.6. Title to Assets. Seller owns good and marketable title to the Assets (or in the case of the Assets subject to the Equipment Leases, a valid leasehold interest in such Assets), and good and marketable title to such Assets shall be transferred to Buyer or its designee at Closing, free and clear of all Liens (other than Permitted Liens).

4.7. Brokers and Finders. Seller has engaged the firm of Gruppo, Levey & Co. to assist them in connection with the matters contemplated by this Agreement and will be responsible for the fees and expenses of such firm. Seller has not employed any other investment bank, broker or finder or incurred any liability for any other investment banking, brokerage, finders' or similar fees or commissions in connection with the transactions contemplated by this Agreement.

4.8. Equipment Leases, Assumed Contracts and Real Property Leases. True and complete copies of the Equipment Leases, the Assumed Contracts and Real Property Leases have been heretofore delivered to Buyer. Except as described in Schedule 4.8, none of such agreements has been amended, modified or supplemented in any material respect to the knowledge of Seller.

4.9. Intellectual Property. Seller owns the entire right, title and interest in and to the owned trademarks and service marks and other intellectual property included within the Assets, except for such defects in title as could not reasonably be expected to have a Material Adverse Effect. There are no Proceedings instituted, pending or, to Seller's knowledge, proposed or threatened by any third party pertaining to or challenging Seller's use of or right to use any of such intellectual property, which Proceedings could reasonably be expected to have a Material Adverse Effect.

4.10. Limitations on Seller's Representations and Warranties. Buyer represents and hereby covenants and shall accept the Assets "AS IS," "WHERE IS" and "WITH ALL FAULTS" on the date hereof and on the Closing Date, subject to the terms and conditions of this Agreement. Except for the representations and warranties contained in this Agreement, Seller makes no other express or implied representation or warranty, including, without limitation, representations or warranties as to the condition of the Assets, their contents, the income derived or potentially to be derived from the Assets or the Business, or the expenses incurred or potentially to be incurred in connection with the Assets or the Business. Seller is not, and will not be, liable or bound in any manner by express or implied warranties, guarantees, statements, promises, representations or information pertaining to the Assets or the Business, made or

furnished by any broker, agent, employee, servant or other person representing or purporting to represent Seller, unless the same is expressly set forth in this Agreement.

V. REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1. Existence, Good Standing and Power. Buyer is a limited liability company validly existing and in good standing under the laws of the State of Virginia and has all requisite power and authority to own, lease and operate the property it now owns, leases and operates. Buyer has all requisite power and authority to conduct its business as presently conducted, to execute and deliver this Agreement and the other documents and instruments to be executed and delivered by Buyer pursuant hereto and to perform its obligations hereunder and thereunder.

5.2. Authority. The execution, delivery and performance of this Agreement and the other agreements contemplated hereby to be executed and delivered by Buyer pursuant hereto and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of Buyer.

5.3. Execution and Binding Effect. This Agreement has been duly and validly executed and delivered by Buyer and constitutes, and each of the other agreements to be executed and delivered by Buyer pursuant hereto upon its execution and delivery by Buyer will constitute (assuming, in each case, the due and valid authorization, execution and delivery thereof by the other parties thereto), a valid and legally binding obligation of Buyer, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at law).

5.4. No Violation. Except as disclosed in Schedule 5.4, the execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby, do not and will not conflict with or result in, with or without the giving of notice or lapse of time or both, any violation of or constitute a breach or default, or give rise to any right of acceleration, payment, amendment, cancellation or termination, under (a) the articles of organization or operating agreement of Buyer or any resolution adopted by the board of managers of Buyer and not rescinded, (b) any agreement or other instrument to which Buyer is a party or by which Buyer or any of its respective properties or assets is bound other than any such violation as would not have a Material Adverse Effect, (c) any Order of any Governmental Entity to which Buyer is bound or subject or (d) any Law applicable to Buyer or any of its respective properties or assets.

5.5. Third Party Approvals. Except for (i) any approvals required in order to comply with the provisions of the HSR Act, if necessary and (ii) any other third party approvals as are reflected on Schedule 5.5 hereto, the execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby do not require any consents, waivers,

authorizations or approvals of, or filings with, any third Persons which have not been obtained by the Buyer.

5.6. Brokers and Finders. Other than as disclosed on Schedule 5.6, Buyer has not employed any broker or finder or incurred any liability for any brokerage fees, commissions, finders, or similar fees in connection with the transactions contemplated by this Agreement.

5.7. Financing. A true and complete copy of Buyer's proposed financing commitment is attached as Schedule 5.7 (the "Financing Commitment").

VI. COVENANTS OF THE PARTIES

6.1. Conduct of Business Pending the Closing. From the date hereof until the Closing Date, except as otherwise required or permitted under this Agreement or to the extent otherwise consented to by Buyer in writing, Seller shall carry on the Business in the ordinary course of business consistent with past practice. Except as otherwise required or permitted under this Agreement, without the prior written consent of Buyer, Seller shall not (i) sell, lease or transfer any Assets, other than sales of Inventory in the ordinary course of business, (ii) sell, lease or transfer any right, title or interest in or to any of the real property included in the Assets or the Real Property Leases, (iii) amend, modify or terminate any Real Property Lease, Assumed Contract or Equipment Lease, (iv) subject any of the Assets to any Lien or allow any Lien to exist, (v) knowingly take any action that would cause any of the representations and warranties made by Seller in this Agreement not to be true and correct, (vi) settle, release or forgive any claim or litigation or waive any right thereto which relates to the Business or the Assets (other than any claim or litigation which is an Excluded Asset or an Excluded Liability), (vii) incur any Liabilities other than (A) Excluded Liabilities or (B) Liabilities incurred in the ordinary course of business consistent with past practice, or (viii) agree to take any action prohibited by this Section.

6.2. Access. From the date hereof until the Closing Date, Seller shall allow Buyer's employees, agents and Representatives during regular business hours to make such investigation of the Business and Seller's books and records related thereto, as Buyer reasonably deems necessary or advisable, and Seller shall instruct its employees to cooperate in any such investigation. From and after the Closing Date, so long as any books, records or other files relating to the Assets or operation of the Business, to the extent that they pertain to such operations prior to the Closing Date, remain in existence and available, each party (at its expense) shall have the right, upon reasonable notice, to inspect and to make copies of the same at any time during regular business hours for any proper purpose, including, without limitation, in connection with any third-party claim in respect of which a party may have Liability hereunder.

6.3. Public Announcements. No party shall issue a press release or otherwise make any public statements with respect to the transactions contemplated hereby, except as may be required by Law, by obligations pursuant to any listing agreement with any national securities exchange or over-the-counter market or with respect to filings to be made with the Bankruptcy Court in connection with this Agreement (in which case the party required to make such public

statement shall notify the other party prior to making such public statement), without the prior consent of the others, which consent shall not be unreasonably withheld.

6.4. Reasonable Efforts. Upon the terms and subject to the conditions herein provided, each of the parties hereto shall use its respective reasonable, good faith efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties hereto in doing, all things necessary, proper or advisable under applicable laws and regulations to ensure that the conditions set forth in this Agreement are satisfied and to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, the parties hereto shall furnish to each other such necessary information and reasonable assistance, as each may request in connection with Seller's preparation and filing of applications and motion papers, including the Sale Motion, the 365 Order and the Approval Order in form and substance reasonably satisfactory to Buyer, needed to obtain Bankruptcy Court Approval of the transactions contemplated by this Agreement including, without limitation, the Overbid Procedures and the Expense Reimbursement and the Walk-Away Expenses, and shall execute any additional instruments necessary to consummate the transactions contemplated hereby, whether before or after the Closing.

6.5. Notification of Certain Matters. Seller shall give prompt notice to Buyer, and Buyer shall give prompt notice to Seller, of (i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement and (ii) any written objection, litigation or administrative proceeding that challenges the transactions contemplated hereby or the entry of the Scheduling Order or the Approval Order.

6.6. Employees.

(a) Seller shall terminate all persons who are employees of the Business (the "Employees") on the Closing Date and, prior to Closing, Buyer shall offer full-time employment effective as of the Closing to all Employees on an at-will basis, whether or not such Employees are actively at work on the Closing Date (including, employees on vacation, sick leave, short term disability and long-term disability). Each such offer of employment by Buyer shall be for a substantially similar position as such Employees held immediately prior to the Closing and at the same salary or regular wage rate received by such Employees immediately prior to the Closing Date. For a period of one year following the Closing Date Buyer shall provide the Employees with employee benefits that are substantially comparable, in the aggregate to the benefits received by the Employees immediately prior to the Closing Date; or, in the alternative, Buyer shall provide the Employees with employee benefits generally provided to similarly situated employees of the Buyer if such employee benefits are, in the aggregate, more valuable than those received by the Employees immediately prior to the Closing Date. Buyer shall credit all Employees with service with the Seller for all purposes under the Buyer's employee benefit plans, including eligibility and vesting, but not benefit accrual, and shall credit Employees for all deductibles and out-of-pocket expenses incurred by the Employees during the calendar year in which the Closing Date occurs. Buyer shall not during the 90-day period beginning on the Closing Date terminate the employment of full-time employees (as determined for purposes of the WARN Act) of the Business so as to cause any "plant closing" or "mass layoff" (as those

terms are defined in the WARN Act) such that Seller has any obligation under the WARN Act that Seller otherwise would not have had absent such terminations; provided, however, that in the event of any breach by Buyer of the foregoing, Buyer shall indemnify Seller for any such obligations.

(b) Alternative Tax Procedure. Pursuant to the "Alternative Procedure" provided in section 5 of Revenue Procedure 96-60, 1996-2 C.B. 399, (i) Buyer and Seller shall report on a predecessor/successor basis as set forth therein, (ii) Seller will be relieved from filing a Form W-2 with respect to any employees of the Seller engaged primarily in the Business immediately prior to the Closing Date to whom Buyer offers employment pursuant to Section 6.6 hereof, who accept such an offer of employment by Buyer and who actually commence such employment with Buyer (a "Continued Employee") and (iii) Buyer will undertake to file (or cause to be filed) a Form W-2 for each such Continued Employee for the year that includes the Closing Date (including the portion of such year that such employee was employed by Seller). Seller shall provide Purchaser on a timely and accurate basis with all payroll and employment-related information with respect to each employee of Seller who accepts employment with Purchaser. Buyer's obligation to assist with such reporting expressly excludes any liability for payroll withholding for periods prior to Closing, which liability remains the responsibility of Seller.

6.7. Further Assurances. On and after the Closing Date, the parties shall take all appropriate action and shall execute all documents, instruments or conveyances of any kind that may be reasonably necessary or advisable to carry out any of the provisions hereof.

6.8. Further Agreements. Seller authorizes and empowers Buyer on and after the Closing Date to receive and to open all mail received by Buyer relating to the Assets, the Business or the Assumed Liabilities and to deal with the contents of such communications in any proper manner. Seller shall promptly deliver to Buyer any mail or other communication received by Seller after the Closing Date pertaining to the Assets, the Business or the Assumed Liabilities. Buyer shall promptly deliver to Seller any mail or other communication received by it after the Closing Date pertaining to the Excluded Assets or any Excluded Liabilities and any cash, checks or other instruments of payment in respect thereof. From and after the Closing Date, Seller shall refer all inquiries with respect to the Business, the Assets and the Assumed Liabilities to Buyer, and Buyer shall refer all calls with respect to the Excluded Assets and the Excluded Liabilities to Seller.

6.9. Payment of Transfer Taxes and Tax Filings.

(a) All Transfer Taxes arising out of the transfer of the Assets (specifically excluding state sales Taxes) and any Transfer Taxes required to effect any recording or filing with respect thereto shall be borne by Buyer. The Transfer Taxes shall be calculated assuming that no exemption from Transfer Taxes is available, unless otherwise indicated in the Approval Order or, at Closing, Buyer shall provide an appropriate resale exemption certificate or other evidence acceptable to Seller of exemption from such Transfer Taxes. Seller and Buyer shall cooperate to timely prepare and file any returns or other filings relating to such Transfer Taxes, including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes. Seller shall pay such Transfer Taxes and shall file all necessary documentation and returns with respect to such Transfer Taxes when due, and shall promptly following the

filing thereof furnish a copy of such return or other filing and a copy of a receipt showing payment of any such Transfer Tax to Buyer, and Buyer shall reimburse Seller promptly for all of such Transfer Taxes paid after giving effect to the Approval Order.

(b) Each party shall furnish or cause to be furnished to the others, upon request, as promptly as practicable, such information and assistance relating to the Assets and the Business as is reasonably necessary for filing of all Tax returns, including any claim for exemption or exclusion from the application or imposition of any Taxes or making of any election related to Taxes, the preparation for any audit by any taxing authority and the prosecution or defense of any claim, suit or proceeding relating to any Tax return.

6.10. Utilities. To the extent practicable, the parties shall notify the gas, water, telephone and electric utility companies that Buyer shall be responsible for the payment of all obligations incurred therefor on or after the Closing Date with respect to the operation of the Business. Seller shall request the gas, water and electric utility companies to cause meters to be read as of the Closing Date, and Seller shall be responsible for the payment of all charges for such services incurred and provided through the Closing Date. Seller shall cause the telephone companies to render a bill for telephone service incurred through the Closing Date, and Seller shall be responsible for the payment of such bills. In the event that after the Closing Date, any provider of phone, gas, water or electric utilities seeks payment from Buyer of unpaid phone, gas, water or electric utilities provided to Seller prior to the Closing Date, Seller shall pay such unpaid amounts as promptly as is required (after reasonable notice from Buyer) to avoid any discontinuation of utility service to Buyer. To the extent that Buyer pays such unpaid amounts, Seller shall promptly reimburse Buyer for the cost of such payments.

6.11. Proration of Taxes and Certain Charges.

(a) Except as provided in Section 6.9, all real property Taxes, personal property Taxes or similar ad valorem obligations levied with respect to the Assets for any taxable period that includes the day before the Closing Date and ends after the Closing Date, whether imposed or assessed before or after the Closing Date, shall be prorated between Seller and Buyer as of 12:01 A.M. on the Closing Date. If any Taxes subject to proration are paid by Buyer, on the one hand, or Seller, on the other hand, the proportionate amount of such Taxes paid (or in the event a refund of any portion of such Taxes previously paid is received, such refund) shall be paid promptly by (or to) the other after the payment of such Taxes (or promptly following the receipt of any such refund).

(b) Except as provided in Section 6.10, all installments of special assessments or other charges on or with respect to the Assets payable by Seller for any period in which the Closing Date shall occur, including, without limitation, base rent, common area maintenance, royalties, all municipal, utility or authority charges for water, sewer, electric or gas charges, garbage or waste removal, and cost of fuel, shall be apportioned as of the Closing Date and each party shall pay its proportionate share promptly upon the receipt of any bill, statement or other charge with respect thereto. If such charges or rates are assessed either based upon time or for a specified period, such charges or rates shall be prorated as of 12:01 A.M. on the Closing Date. If such charges or rates are assessed based upon usage of utility or similar services, such charges shall be prorated based upon meter readings taken on the Closing Date.

(c) All refunds, reimbursements, installments of base rent, additional rent, license fees or other use related revenue receivable by any party to the extent attributable to the operation of the Business for any period in which the Closing shall occur shall be prorated so that Seller shall be entitled to that portion of any such installment applicable to the period up to but not including the Closing Date and Buyer shall be entitled to that portion of any such installment applicable to any period from and after the Closing Date, and if Buyer or Seller, as the case may be, shall receive any such payments after the Closing Date, they shall promptly remit to such other parties their share of such payments.

(d) The prorations pursuant to this Section may be calculated after the Closing Date, as each item to be prorated (including without limitation any such Tax, obligation, assessment, charge, refund, reimbursement, rent installment, fee or revenue) accrues or comes due, provided that, in any event, any such proration shall be calculated not later than thirty (30) days after the party requesting proration of any item obtains the information required to calculate such proration of such item.

6.12. [INTENTIONALLY OMITTED].

6.13. Bulk Sales. Each of the parties hereto waives compliance with any applicable provisions of the Uniform Commercial Code Article 6 (Bulk Sales or Bulk Transfers) or analogous provisions of law, as adopted in the states in which the Business is conducted as such provisions may apply to the transactions contemplated by this Agreement.

6.14. Sale Motion.

(a) Within seven (7) Business Days after the date hereof, Seller shall file the Sale Motion, in form and substance reasonably satisfactory to Buyer, seeking entry of the Scheduling Order (as described below), the 365 Order and the Approval Order.

(b) Seller shall propose and submit to the Bankruptcy Court the Scheduling Order, in form and substance reasonably satisfactory to Buyer, that (i) approves competitive bidding and sale procedures, including the Overbid Procedures and Expense Reimbursement (each as defined below) and Walk-Away Expenses, (ii) schedules the Sale Hearing and deadlines for filing and service of objections and responses to the relief requested in the Sale Motion and (iii) approves the form, manner and sufficiency of notice of the Sale Motion and Sale Hearing to be given and published by Seller in a manner reasonably acceptable to Buyer.

(c) Seller shall use its reasonable, good faith efforts to obtain prompt Bankruptcy Court approval of bidding procedures (the "Overbid Procedures"), which shall provide that, to be a qualified bid, any initial overbid for the Assets in excess of the Purchase Price hereunder (submitted by any Person other than Buyer) shall be in an aggregate amount of not less than \$500,000, and that any successive overbids (by any Person) shall be made in increments not less than \$120,000 in excess of the last submitted, highest qualified bid for the Assets.

(d) Seller shall use its reasonable, good faith efforts to obtain within fifteen (15) Business Days from the date hereof Bankruptcy Court approval of (i) the Walk-Away Expenses, and (ii) reimbursement of Buyer's expenses and payment of \$50,000 in an amount not to exceed in the aggregate \$250,000 (the "Expense Reimbursement"), payable to Buyer in cash, by wire

transfer of immediately available funds to an account designated by Buyer, on the Business Day following the date of consummation of the Competing Transaction, provided that neither Buyer nor any of its affiliates is a party to such Competing Transaction.

(e) Within fifteen (15) Business Days after the date hereof, Seller shall propose and submit to the Bankruptcy Court a motion for the Approval Order and the 365 Order.

(f) Buyer and Seller shall cooperate with filing and prosecuting the Sale Motion and obtaining entry of the Scheduling Order, the Approval Order and the 365 Order, and Seller shall deliver to Buyer prior to filing, and as early in advance as is practicable to permit adequate and reasonable time for Buyer and its counsel to review and comment, copies of all proposed pleadings, motions, notices, statements, schedules, applications, reports and other papers to be filed by Seller in connection with the Sale Motion and the relief requested therein.

6.15. Competing Transaction. From the date hereof (and any prior time) and until the transaction contemplated by this Agreement is consummated, Seller is permitted to cause its Representatives and Affiliates to initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any Person (in addition to Buyer and its Affiliates, agents and Representatives) in connection with any sale or other disposition of the Assets (a "Competing Transaction"). In addition, the Seller shall have the responsibility and obligation to respond to any inquiries or offers to purchase all or any part of the Assets and perform any and all other acts related thereto which are required under the Bankruptcy Code or other applicable law, including, without limitation, supplying information relating to the Business and Assets to prospective purchasers. Seller shall promptly notify Buyer of the existence of any proposal received by Seller, with respect to any Competing Transaction, and Seller shall communicate to Buyer the material terms of any proposal which it may receive with respect to any Competing Transaction but not the identity of the party making such proposal. Seller shall promptly provide to Buyer any non-public information regarding the Assets provided to any other party which was not previously provided to Buyer.

6.16. Transfer of Licenses. Seller shall use reasonable efforts to cooperate with Buyer, including executing such documents as Buyer shall reasonably request, in order to effectuate the transfer of the Licenses to Buyer and/or to assist Buyer in obtaining the issuances of substitute Licenses for the operation of the Business.

6.17. Financing Commitment. Buyer shall use its best efforts to cause all conditions precedent to the funding obligations of the Financing Commitment to be duly and timely satisfied to the extent such conditions are within Buyer's reasonable control. Seller shall use reasonable efforts to cooperate with Buyer, except that such cooperation shall not require or be deemed to include the waiver of any other rights Seller may have under this Agreement.

6.18. Rejected Contracts. Seller shall not reject any Assumed Contract, Equipment Lease or Real Property Lease in any bankruptcy proceeding following the date hereof unless this Agreement is terminated in accordance with its terms.

6.19. Removal of Excluded Assets. Within a reasonable period of time from the Closing, Seller shall remove all Excluded Assets from the locations used in the operation of the Business.

6.20. Disclosure Supplements. From time to time prior to the Closing, Seller shall supplement the Schedules hereto with respect to any matter hereafter arising or any information obtained after the date hereof of which, if existing, occurring or known at or prior to the date of this Agreement, would have been required to be set forth or described in the Schedules, or which is necessary to complete or correct any information in such schedule or in any representation and warranty of Seller which has been rendered inaccurate thereby. For purposes of determining the satisfaction of the conditions set forth in Article VII hereof, no such supplemental or amendment shall be considered.

6.21. Post-Closing Access to Records and Personnel. Buyer hereby acknowledges that it shall grant to Seller, from and after the Closing Date, access, as promptly as practicable but in no event no later than 5 days after receiving notice, to any records or personnel related to Seller's operation of the Business prior to the Closing Date upon Seller's written request. Buyer shall keep such records in a manner consistent with Buyer's past practice and such records shall not be destroyed or removed from their present location until the later of three years from the Closing Date or the conclusion of all bankruptcy proceedings related to the Business.

6.22. NAAD List. Seller will use its commercially reasonable efforts to ensure that DIMAC Corporation (or any affiliate thereof) transfers its shares in the National Association of Advertising Distributors ("NAAD") to Buyer at no additional cost to Buyer, if Buyer and Seller determine that such transfer is necessary to enable Buyer to have access to the NAAD pricing list. For a period of five years after the Closing Date, Buyer shall provide Seller access to Buyer's most current NAAD list at a price equal to the lowest price paid by any other NAAD shareholder, plus ten percent (10%). Seller will not have the right to resell or license such list to any third party but may use such list in accordance with the terms of the customary list rental agreement.

6.23. Use of "Americom Label Systems" Name. Buyer shall enter into a royalty free license agreement for the use of the name "Americom Label Systems" with Seller or, at Seller's option, the purchaser of Seller's Label Art division, in each case with a term of two years following the Closing Date. The parties will use commercially reasonable efforts to finalize the terms of such license agreement as soon as practicable following the date hereof and in any event prior to the Closing Date. If the license agreement is entered into with Seller, the terms of such license agreement will provide that Seller may freely assign its rights thereunder to any purchaser of the Label Art division.

6.24. Telephone Lines, T-1 Lines. Buyer will apply for new telephone and T-1 lines for use by the Business immediately following the Closing Date. For the 60-day period following the Closing Date, Buyer will continue to use the telephone and T-1 lines established by Seller, and Buyer will reimburse Seller for all charges related to such usage following the Closing Date in accordance with Section 6.10.

VII. CONDITIONS TO OBLIGATIONS OF THE PARTIES

7.1. Conditions Precedent to Obligations of Buyer and Seller. The respective obligations of Buyer, on the one hand, and Seller, on the other hand, to close under this Agreement shall be subject to the satisfaction at or prior to the Closing Date of the following conditions:

(a) No Injunction. No preliminary or permanent injunction or other order issued by, and no Proceeding or Order by or before any Governmental Entity in the United States or by any United States Governmental Entity nor any Law or Order promulgated or enacted by any United States Governmental Entity shall be in effect or pending which materially delays, restrains, enjoins or otherwise prohibits or seeks to restrain, enjoin or otherwise prohibit the transactions contemplated hereby.

(b) The Approval Order. The Bankruptcy Court shall have entered the Approval Order and the 365 Order. The "Approval Order" shall be an order or orders of the Bankruptcy Court in form and substance reasonably acceptable to Seller and Buyer approving this Agreement and all of the terms and conditions hereof, and approving and authorizing Seller to consummate the transactions contemplated hereby. Without limiting the generality of the foregoing, such order shall find and provide, among other things, that (a) the Assets sold to Buyer pursuant to this Agreement shall be transferred to Buyer free and clear of all Liens and Liabilities of any Person, such Liens and Liabilities to attach to the Purchase Price payable pursuant to Section 3.2; (b) Buyer has acted in good faith within the meaning of Section 363(m) of the Bankruptcy Code and, as such, is entitled to the protections afforded thereby; (c) this Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith and from arm's length bargaining positions; (d) Buyer is not acquiring or assuming any of Seller's or any other Person's Liabilities except as expressly provided in this Agreement; (e) all Assumed Contracts and Real Property Leases shall be assumed by Seller and assigned to Buyer pursuant to Section 365 of the Bankruptcy Code and, as required by this Agreement, Seller shall be obligated to pay all Cure Amounts in respect thereof, and Buyer shall have no obligation to pay, or any Liability for, such Cure Amounts and, thereafter Seller shall have no further Liability under such Assumed Contracts and Real Property Leases pursuant to Section 365(k) of the Bankruptcy Code; (f) the Bankruptcy Court shall retain jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement, or the breach hereof as provided in Section 10.9 hereof and (g) this Agreement and the transactions and instruments contemplated hereby shall be specifically performable and enforceable against and binding upon, and not subject to rejection or avoidance by, Seller or any chapter 7 or chapter 11 trustee of any Seller and its estate.

(c) Consents and Approvals. All consents, waivers, authorizations and approvals of third Persons as are necessary in connection with the transactions contemplated by this

Agreement shall have been obtained, except for such consents, waivers, authorizations and approvals which would not have a Material Adverse Effect and such consents and approvals which are not required due to the entry by the Bankruptcy Court of the Approval order.

7.2. Conditions Precedent to Obligations of Buyer. The obligation of Buyer to close under this Agreement is subject to the satisfaction (or waiver by Buyer) at or prior to the Closing Date of each of the following additional conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Seller contained herein shall be true and correct in all material respects on the date hereof and on and as of the Closing Date (without giving effect to any materiality qualifiers contained within such representations and warranties), with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects as of such date.

(b) Performance of Agreements. Seller shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by them prior to or at the Closing Date.

(c) Officer's Certificate. Buyer shall have received a certificate, dated the Closing Date, of an officer of Seller to the effect that the conditions specified in Sections 7.2(a) and (b) above have been fulfilled.

(d) Notice of Sale Motion and Hearing. Seller shall have given and published notice of the Sale Motion and Sale Hearing as required by the Scheduling Order.

(e) Fulfillment of Funding Commitment – The lender under the Financing Commitment shall have fulfilled its funding commitment at a level of \$8,500,000 with respect to the term loan and there shall be at least \$2,000,000 of availability under the line of credit as of Closing.

(f) Expense Reimbursement, Bid Procedures and Walk Away Expenses. The Expense Reimbursement, Bid Procedures and Walk-Away Expenses described herein shall have been approved by the Bankruptcy Court, which motion for approval shall be approved within 30 days following the date hereof.

7.3. Conditions Precedent to the Obligations of Seller. The obligation of Seller to close under this Agreement is subject to the satisfaction (or waiver by Seller) at or prior to the Closing Date of each of the following additional conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer contained herein shall be true and correct in all material respects on the date hereof and on and as of the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except to the extent that any such representations or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date.

(b) Performance of Agreements. Buyer shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by it prior to or at the Closing Date

(c) Officer's Certificate. Seller shall have received a certificate, dated the Closing Date, of an officer of Buyer to the effect that the conditions specified in subsections (a) and (b) above have been fulfilled.

VIII. TERMINATION

8.1. Termination of Agreement. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) By mutual written consent of Buyer and Seller;

(b) By any party if the Closing shall not have occurred on or before December 31, 2000 or by Buyer if Section 7.2(f) shall not have been satisfied; provided, however, that, if the Closing shall not have occurred due to the failure of the Bankruptcy Court to enter the Approval Order and if all other conditions to the respective obligations of the parties to close hereunder that are capable of being fulfilled by December 31, 2000 shall have been so fulfilled or waived, then neither party may terminate this Agreement prior to January 31, 2001; provided, further, however, that if the Closing shall not have occurred on or before any such date due to a breach of this Agreement by Buyer or Seller, the breaching party may not terminate this Agreement pursuant to this Section 8.1(b);

(c) By any party not in breach of this Agreement, if there shall be any law or regulation that makes the consummation of the transactions contemplated hereby illegal or otherwise prohibited or if consummation of the transactions contemplated hereby would violate any nonappealable final order, decree or judgment of any court or governmental body having competent jurisdiction;

(d) By any party if Seller consummates a Competing Transaction, subject to the limitations set forth in Section 6.15 and the Bid Procedure described in the Scheduling Order and subject to Buyer's right to payment of the Expense Reimbursement in cash, by wire transfer of immediately available funds to an account designated by Buyer, on the Business Day following the date of consummation of any Competing Transaction (unless Buyer shall previously have given notice of termination pursuant to Section 8.3);

(e) By Seller, on the one hand, or Buyer, on the other, if Buyer or Seller, as the case may be, materially breaches any of its obligations under this Agreement, unless such breach shall be cured within ten (10) Business Days after such other party shall have received notice of such breach in accordance with the terms hereof;

(f) By Seller, at any time after approval of the Walk-Away Expenses but on or before the day prior to the date on which the auction to consider higher and better offers is held, if Seller reasonably determines that the aggregate net proceeds from Chapter 11 pre-effective date asset sales and/or liquidation will not meet the minimum aggregate net proceeds required by the Seller's plan of reorganization;

(g) By Seller, if the Buyer has not executed the Financing Commitment within five (5) Business Days after Buyer is notified orally or in writing of approval by the Bankruptcy Court of the Expense Reimbursement; or

(h) By Buyer, if the lenders providing financing to Buyer to fund the asset purchase hereunder shall exercise any right to terminate the commitment as a result of any condition set forth therein, including without limitation any "material adverse change" or similar condition related to the business, condition, operations or properties of Seller.

8.2. No Liabilities in Event of Termination. In the event of any termination of the Agreement pursuant to Section 8.1 or 8.3, written notice thereof shall forthwith be given to the other party specifying the provision hereof pursuant to which such termination is made, this Agreement shall forthwith become wholly void and of no further force and effect, and there shall be no liability on the part of Buyer or Seller, except that (i) the obligations of Seller and Buyer under Section 10.1 shall remain in full force and effect, (ii) if this Agreement shall be terminated pursuant to Section 8.1(e) hereof, the breaching party shall remain liable to the non-breaching party for costs, expenses and damages incurred by its breach, and subject to Buyer's right to payment of the Expense Reimbursement pursuant to Section 8.1(d) and 8.1(f) and Seller's right to the Earnest Money Deposit pursuant to Section 3.2 and (iii) if this Agreement shall be terminated pursuant to Section 8.1(f) hereof, subject to Buyer's right to the Walk-Away Expenses pursuant to Section 3.2.

8.3. Termination of Buyer's Obligations Under Agreement. Notwithstanding anything to the contrary contained in this Agreement, in the event that either (i) Seller files a motion seeking Bankruptcy Court approval of a Competing Transaction or (ii) the Bankruptcy Court approves a Competing Transaction, Buyer, in its sole discretion, upon written notice to Seller, may elect to terminate its obligations under this Agreement; provided, however, that, in the event of such termination by Buyer pursuant to this Section 8.3 at any time prior to 10 days after the Bankruptcy Court approves a Competing Transaction, Buyer shall not be entitled to any Expense Reimbursement notwithstanding the closing of any Competing Transaction.

IX. INDEMNIFICATION

9.1. Survival. All representations and warranties of Buyer and Seller contained in this Agreement shall survive up to the Closing and shall terminate at and upon the Closing, after which no claims based on any alleged breach thereof may be asserted; provided, however, that, the covenants and agreements of the parties hereto shall survive the Closing in accordance with their terms. In the event that an Indemnified Party (as defined below) (x) receives notice of any matter which provides a reasonable basis for a claim to indemnification hereunder within the applicable period provided in this Section 9.1 and (y) provides notice to the Indemnifying Party (as defined below) of the receipt of such notice, and such claim shall not have been finally resolved before the expiration of the applicable period referred to in this Section 9.1, any representation or warranty that is the basis for such claim shall continue to survive and shall remain a basis for indemnity as to such claim until such claim is finally resolved. This Section 9.1 shall not limit any covenant or agreement of the parties contained in this Agreement which by its terms contemplates performance after the Closing.

9.2. Indemnification.

(a) Seller shall indemnify and hold Buyer and its Affiliates harmless against and in respect of loss, damage, claim, Liability, judgment or settlement of any nature or kind, including all costs and expenses relating thereto, including, without limitation, interest, penalties and reasonable attorneys' fees (collectively "Damages"), arising out of, resulting from or relating to:

- (i) all Excluded Liabilities; and
- (ii) any breach by Seller of its covenants contained herein or in the Escrow Agreement which survive the Closing or in the officer certificate delivered by Seller pursuant to Section 7.2(c).

(b) Buyer shall indemnify and shall hold Seller and its Affiliates harmless against and in respect of any Damages, arising out of, resulting from or relating to:

- (i) all Assumed Liabilities;
- (ii) any breach by Buyer of its covenants contained herein which survive the Closing; and
- (iii) the termination of any person who becomes an employee of Buyer with respect to the Business on or after the Closing Date.

(c) In the event that any Person shall incur or suffer any Damages in respect of which indemnification may be sought hereunder, such Person (the "Indemnified Party") may assert a claim for indemnification by providing written notice to the party from whom indemnification is being sought (the "Indemnifying Party"), stating the amount of Damages, if known, and the nature and basis of such claim (the "Notice"). In the case of Damages that arise or may arise by reason of any third-party claim, promptly after receipt by an Indemnified Party of written notice of the assertion of any claim or the commencement of any action with respect to any matter in respect of which indemnification may be sought hereunder, the Indemnified Party shall give Notice to the Indemnifying Party and shall thereafter keep the Indemnifying Party reasonably informed with respect thereto, provided that failure of the Indemnified Party to give the Indemnifying Party prompt notice as provided herein shall not relieve the Indemnifying Party of any of its obligations hereunder, except to the extent that the Indemnifying Party is materially prejudiced by such failure. In case any such claim is made or action is brought against any Indemnified Party, the Indemnifying Party shall be entitled to assume the defense thereof, by written notice of its intention to do so to the Indemnified Party within 30 days after receipt of the Notice. If the Indemnifying Party shall assume the defense of such claim or action, it shall have the right to settle such claim or action; provided, however, that it shall not settle such claim or action without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed) if such settlement (i) does not include as an unconditional term thereof the giving by the claimant or the plaintiff of a release of the Indemnified Party from all Liability with respect to such claim or action or (ii) involves the imposition of equitable remedies or the imposition of any material obligations on such Indemnified Party other than financial obligations for which such Indemnified Party will be indemnified hereunder. As long

as the Indemnifying Party is contesting any such claim or action in good faith, the Indemnified Party shall not pay or settle such claim or action. Following delivery of notice of its intention to assume the defense of any claim or action hereunder, the Indemnifying Party shall not be liable hereunder for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof; provided, further, however, that if the defendants in any action shall include both an Indemnifying Party and any Indemnified Party and such Indemnified Party shall have reasonably concluded that counsel selected by the Indemnifying Party has a conflict of interest because of the availability of different or additional defenses to such Indemnified Party, such Indemnified Party shall have the right to separate counsel to participate in the defense of such action on its behalf, at the expense of the Indemnifying Party; provided, further, however, that the Indemnifying Party shall not be obligated to pay the expenses of more than one separate counsel for all Indemnified Parties, taken together.

(d) If the Indemnifying Party shall fail to notify the Indemnified Party of its desire to assume the defense of any claim or action within the prescribed period of time, or shall notify the Indemnified Party that it will not assume the defense hereof, then the Indemnified Party may assume the defense of such claim or action, in which event it may do so acting in good faith, and the Indemnifying Party shall be bound by any determination made in any such action, provided, however, that the Indemnified Party shall not be permitted to settle any such action without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. No such determination or settlement shall affect the right of the Indemnifying Party to dispute the Indemnified Party's claim for indemnification hereunder. The Indemnifying Party shall be permitted to participate in the defense of such claim or action and to employ counsel at its own expense. If the Indemnifying Party chooses to assume the defense of any claim or action pursuant hereto, the Indemnified Party shall cooperate in such defense, which cooperation shall include the retention and the provision to the Indemnifying Party of records and information which are reasonably relevant to such defense, and making employees available on a mutually convenient basis to provide additional information and explanation of any materials provided hereunder, including providing such employees to serve as witnesses.

(e) The right to indemnification pursuant to this Article IX shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the date the Closing occurs, with respect to the accuracy or inaccuracy of or compliance with, any representation, warranty, covenant or obligation. The waiver of any condition to the obligation of a party to consummate the transactions contemplated by this Agreement, where such condition is based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, shall not affect the right of an Indemnified Party to indemnification, payment of an Indemnified Party's Damages, or other remedy based on such representation, warranty, covenant or obligation.

(f) Any indemnification payments made pursuant to this Agreement shall be treated for tax purposes as an adjustment to the Purchase Price, unless otherwise required by applicable law.

X. MISCELLANEOUS

10.1. Expenses.

(a) Except as set forth in this Agreement and whether or not the transactions contemplated hereby are consummated, each party shall bear all costs and expenses incurred or to be incurred by such party in connection with this Agreement and the consummation of the transactions contemplated hereby

(b) If a Competing Transaction is consummated, Seller shall pay Buyer an Expense Reimbursement, as provided in Section 6.14(d) of this Agreement.

10.2. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller without the prior written consent of Buyer, or by Buyer without the prior written consent of Seller; provided, however, that, Buyer may assign its rights and obligations hereunder, in whole or in part, to any wholly-owned subsidiary of Buyer, provided that no such assignment shall relieve Buyer of its liabilities and obligations hereunder if such assignee does not perform such obligations and provided, further that this Agreement may be assigned to one or more trustees appointed by the Bankruptcy Court to succeed to the rights of Seller. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and except as otherwise expressly provided herein, no other Person shall have any right, benefit or obligation hereunder.

10.3. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of Seller and Buyer, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. Without limiting the foregoing, no direct or indirect holder of any equity interests or securities of either Seller or Buyer (whether such holder is a limited or general partner, member, stockholder or otherwise), nor any Affiliate of either Seller or Buyer, nor any director, officer, employee, representative, agent or other controlling person of each of the parties hereto and their respective Affiliates shall have any liability or obligation arising under this Agreement or the transactions contemplated thereby.

10.4. Notices. Unless otherwise provided herein, any notice, request, instruction or other document to be given hereunder by any party to any other party shall be in writing and shall be delivered in person or by courier or facsimile transmission (with such facsimile transmission confirmed by sending a copy of such notice, request, instruction or other document by certified mail, return receipt requested) or mailed by certified mail, postage prepaid, return receipt requested (such mailed notice to be effective on the date such receipt is acknowledged), as follows:

If to Seller:

DIMAC Corp.
One Univac Lane
Windsor, Connecticut 06095
Attention: Robert Kamerschen
Fax: (860) 285-6423

With a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Martin J. Bienenstock, Esq.
Fax: (212) 735-8007

If to Buyer:

Americomm Acquisition Company, LLC
494 St. Pauls Boulevard
Norfolk, Virginia 23510
Attention: David Craig
Fax: (757) 624-5713

With a copy to:

Kaufman & Canoles, a Professional
Corporation
One Commercial Place, Suite 2000
Norfolk, Virginia 23510
Attention: William R. Van Buren, III
Fax: (757) 624-3169

or to such other place and with such other copies as either party may designate as to itself by written notice to the other party. Rejection, any refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

10.5. Choice of Law. This Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the Bankruptcy Code and the substantive laws of the State of New York, except that any provisions contained herein relating to the conveyance of interests in real property shall be governed by the substantive laws of the State in which the Real Property is located, in each case without regard to the conflict of law principles thereof or of any other jurisdiction.

10.6. Entire Agreement; Amendments and Waivers. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the parties. Except as set forth herein or in any certificate delivered pursuant hereto, no party (or any employee or agent thereof) makes any representation or warranty, express or implied, to any other party with respect to this Agreement or the transactions contemplated hereby. No supplement, modification or waiver of this Agreement (including, without limitation, any schedule hereto) shall be binding unless the same is executed in writing by all parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), and no such waiver shall constitute a continuing waiver unless otherwise expressly provided. Unless this Agreement shall have been terminated pursuant to Section 8.1, the sole remedy of the parties against each other in connection with this Agreement and the transactions contemplated hereby shall be the indemnifying rights set forth in Article IX, subject to each party's rights to seek specific performance under Section 10.13.

10.7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

10.8. Invalidity. If any one or more of the provisions contained in this Agreement (other than any of the provisions contained in Article II or Article III hereof) or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the parties shall use their reasonable efforts, including, but not limited to, the amendment of this Agreement, to ensure that this Agreement shall reflect as closely as practicable the intent of the parties hereto on the date hereof.

10.9. Headings. The table of contents and the headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

10.10. Exclusive Jurisdiction. Without limiting any party's right to appeal any order of the Bankruptcy Court, (a) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (b) any and all claims, actions, causes of action, suits and proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 10.3 hereof.

10.11. Waiver of Right to Trial by Jury. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.

10.12. Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer upon any other Person any rights or remedies of any nature under or by reason of this Agreement, except as expressly provided in herein.

10.13. Specific Performance. Each of the parties hereto acknowledges that the other party hereto would be irreparably damaged in the event any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions thereof in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction, in addition to any other remedy to which the parties may be entitled, at law, in equity or pursuant to this Agreement.

10.14. Counting. If the due date for any action to be taken under this Agreement (including, without limitation, the delivery of notices) is not a Business Day, then such action

shall be considered timely taken if performed on or prior to the next Business Day following such due date.

10.15. Service of Process. Each party irrevocably consents to the service of process in any action or proceeding by receipt of mailed copies thereof by national courier service or registered United States mail, postage prepaid, return receipt requested, to its address as specified in or pursuant to Section 10.3 hereof. However, the foregoing shall not limit the right of a party to effect service of process on the other party by any other legally available method.

10.16. Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

10.17. Exhibits and Schedules. The Exhibits and Schedules attached to, delivered with and identified to this Agreement are a part of this Agreement the same as if fully set forth herein and all references herein to any Section of this Agreement shall be deemed to include a reference to any Schedule named therein.

10.18. Interpretation.

(a) Whenever the words "include," "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(b) Words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(d) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(e) All references to "\$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

(f) All references to any financial or accounting terms shall be defined in accordance with United States Generally Accepted Accounting Principles.

10.19. Preparation of this Agreement. Buyer and Seller hereby acknowledge that (i) Buyer and Seller jointly and equally participated in the drafting of this Agreement and all other agreements contemplated hereby, (ii) both Buyer and Seller have been adequately represented and advised by legal counsel with respect to this Agreement and the transactions contemplated hereby, and (iii) no presumption shall be made that any provision of this Agreement shall be construed against either party by reason of such role in the drafting of this Agreement and any other agreement contemplated hereby.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Seller and Buyer as of the date first above written.

AMERICOMM DIRECT MARKETING, INC.

By: Robert Kamarschan
Name: ROBERT KAMARISCHEN
Title: CHAIRMAN + CEO.

AMERICOMM ACQUISITION COMPANY, LLC

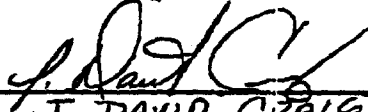
By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officers of Seller and Buyer as of the date first above written.

AMERICOMM DIRECT MARKETING, INC.

By: _____
Name: _____
Title: _____

AMERICOMM ACQUISITION COMPANY, LLC

By:  _____
Name: J. DAVID CRAIG
Title: MANAGER

NY2497431692VE@01.DOCM1566.0001

11/07/00 TUE 14:33 [TX/RX NO 7197]