

## TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

ETAS ID: TM305843

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT		
<b>NATURE OF CONVEYANCE:</b>	ASSIGNMENT OF THE ENTIRE INTEREST AND THE GOODWILL		
<b>SEQUENCE:</b>	2		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
American Color Graphics, Inc.		12/06/2012	CORPORATION: NEW YORK
<b>RECEIVING PARTY DATA</b>			
<b>Name:</b>	Quad/Graphics Marketing, LLC		
<b>Street Address:</b>	N61 W23044 Harry's Way		
<b>City:</b>	Sussex		
<b>State/Country:</b>	WISCONSIN		
<b>Postal Code:</b>	53089		
<b>Entity Type:</b>	LIMITED LIABILITY COMPANY: WISCONSIN		
<b>PROPERTY NUMBERS Total: 4</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Registration Number:</b>	3423260	ACOMS	
<b>Registration Number:</b>	3325073	ACOMS	
<b>Registration Number:</b>	3184171	COLORRIGHT	
<b>Registration Number:</b>	3021355	PAGESCRIPT XT	
<b>CORRESPONDENCE DATA</b>			
<b>Fax Number:</b>	4142974900		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
<b>Phone:</b>	(414) 271-2400		
<b>Email:</b>	ipdocketing@foley.com		
<b>Correspondent Name:</b>	Christopher M. King		
<b>Address Line 1:</b>	Foley & Lardner LLP		
<b>Address Line 2:</b>	777 E. Wisconsin Avenue		
<b>Address Line 4:</b>	Milwaukee, WISCONSIN 53202-5306		
<b>NAME OF SUBMITTER:</b>	Jill M. Schenk		
<b>SIGNATURE:</b>	/Jill M. Schenk/		
<b>DATE SIGNED:</b>	05/28/2014		
<b>Total Attachments: 345</b> source=Agreement#page1.tif			

OP \$115.00 3423260

source=Agreement#page2.tif  
source=Agreement#page3.tif  
source=Agreement#page4.tif  
source=Agreement#page5.tif  
source=Agreement#page6.tif  
source=Agreement#page7.tif  
source=Agreement#page8.tif  
source=Agreement#page9.tif  
source=Agreement#page10.tif  
source=Agreement#page11.tif  
source=Agreement#page12.tif  
source=Agreement#page13.tif  
source=Agreement#page14.tif  
source=Agreement#page15.tif  
source=Agreement#page16.tif  
source=Agreement#page17.tif  
source=Agreement#page18.tif  
source=Agreement#page19.tif  
source=Agreement#page20.tif  
source=Agreement#page21.tif  
source=Agreement#page22.tif  
source=Agreement#page23.tif  
source=Agreement#page24.tif  
source=Agreement#page25.tif  
source=Agreement#page26.tif  
source=Agreement#page27.tif  
source=Agreement#page28.tif  
source=Agreement#page29.tif  
source=Agreement#page30.tif  
source=Agreement#page31.tif  
source=Agreement#page32.tif  
source=Agreement#page33.tif  
source=Agreement#page34.tif  
source=Agreement#page35.tif  
source=Agreement#page36.tif  
source=Agreement#page37.tif  
source=Agreement#page38.tif  
source=Agreement#page39.tif  
source=Agreement#page40.tif  
source=Agreement#page41.tif  
source=Agreement#page42.tif  
source=Agreement#page43.tif  
source=Agreement#page44.tif  
source=Agreement#page45.tif  
source=Agreement#page46.tif  
source=Agreement#page47.tif  
source=Agreement#page48.tif  
source=Agreement#page49.tif

source=Agreement#page50.tif  
source=Agreement#page51.tif  
source=Agreement#page52.tif  
source=Agreement#page53.tif  
source=Agreement#page54.tif  
source=Agreement#page55.tif  
source=Agreement#page56.tif  
source=Agreement#page57.tif  
source=Agreement#page58.tif  
source=Agreement#page59.tif  
source=Agreement#page60.tif  
source=Agreement#page61.tif  
source=Agreement#page62.tif  
source=Agreement#page63.tif  
source=Agreement#page64.tif  
source=Agreement#page65.tif  
source=Agreement#page66.tif  
source=Agreement#page67.tif  
source=Agreement#page68.tif  
source=Agreement#page69.tif  
source=Agreement#page70.tif  
source=Agreement#page71.tif  
source=Agreement#page72.tif  
source=Agreement#page73.tif  
source=Agreement#page74.tif  
source=Agreement#page75.tif  
source=Agreement#page76.tif  
source=Agreement#page77.tif  
source=Agreement#page78.tif  
source=Agreement#page79.tif  
source=Agreement#page80.tif  
source=Agreement#page81.tif  
source=Agreement#page82.tif  
source=Agreement#page83.tif  
source=Agreement#page84.tif  
source=Agreement#page85.tif  
source=Agreement#page86.tif  
source=Agreement#page87.tif  
source=Agreement#page88.tif  
source=Agreement#page89.tif  
source=Agreement#page90.tif  
source=Agreement#page91.tif  
source=Agreement#page92.tif  
source=Agreement#page93.tif  
source=Agreement#page94.tif  
source=Agreement#page95.tif  
source=Agreement#page96.tif  
source=Agreement#page97.tif

source=Agreement#page98.tif  
source=Agreement#page99.tif  
source=Agreement#page100.tif  
source=Agreement#page101.tif  
source=Agreement#page102.tif  
source=Agreement#page103.tif  
source=Agreement#page104.tif  
source=Agreement#page105.tif  
source=Agreement#page106.tif  
source=Agreement#page107.tif  
source=Agreement#page108.tif  
source=Agreement#page109.tif  
source=Agreement#page110.tif  
source=Agreement#page111.tif  
source=Agreement#page112.tif  
source=Agreement#page113.tif  
source=Agreement#page114.tif  
source=Agreement#page115.tif  
source=Agreement#page116.tif  
source=Agreement#page117.tif  
source=Agreement#page118.tif  
source=Agreement#page119.tif  
source=Agreement#page120.tif  
source=Agreement#page121.tif  
source=Agreement#page122.tif  
source=Agreement#page123.tif  
source=Agreement#page124.tif  
source=Agreement#page125.tif  
source=Agreement#page126.tif  
source=Agreement#page127.tif  
source=Agreement#page128.tif  
source=Agreement#page129.tif  
source=Agreement#page130.tif  
source=Agreement#page131.tif  
source=Agreement#page132.tif  
source=Agreement#page133.tif  
source=Agreement#page134.tif  
source=Agreement#page135.tif  
source=Agreement#page136.tif  
source=Agreement#page137.tif  
source=Agreement#page138.tif  
source=Agreement#page139.tif  
source=Agreement#page140.tif  
source=Agreement#page141.tif  
source=Agreement#page142.tif  
source=Agreement#page143.tif  
source=Agreement#page144.tif  
source=Agreement#page145.tif



source=Agreement#page146.tif  
source=Agreement#page147.tif  
source=Agreement#page148.tif  
source=Agreement#page149.tif  
source=Agreement#page150.tif  
source=Agreement#page151.tif  
source=Agreement#page152.tif  
source=Agreement#page153.tif  
source=Agreement#page154.tif  
source=Agreement#page155.tif  
source=Agreement#page156.tif  
source=Agreement#page157.tif  
source=Agreement#page158.tif  
source=Agreement#page159.tif  
source=Agreement#page160.tif  
source=Agreement#page161.tif  
source=Agreement#page162.tif  
source=Agreement#page163.tif  
source=Agreement#page164.tif  
source=Agreement#page165.tif  
source=Agreement#page166.tif  
source=Agreement#page167.tif  
source=Agreement#page168.tif  
source=Agreement#page169.tif  
source=Agreement#page170.tif  
source=Agreement#page171.tif  
source=Agreement#page172.tif  
source=Agreement#page173.tif  
source=Agreement#page174.tif  
source=Agreement#page175.tif  
source=Agreement#page176.tif  
source=Agreement#page177.tif  
source=Agreement#page178.tif  
source=Agreement#page179.tif  
source=Agreement#page180.tif  
source=Agreement#page181.tif  
source=Agreement#page182.tif  
source=Agreement#page183.tif  
source=Agreement#page184.tif  
source=Agreement#page185.tif  
source=Agreement#page186.tif  
source=Agreement#page187.tif  
source=Agreement#page188.tif  
source=Agreement#page189.tif  
source=Agreement#page190.tif  
source=Agreement#page191.tif  
source=Agreement#page192.tif  
source=Agreement#page193.tif

source=Agreement#page194.tif  
source=Agreement#page195.tif  
source=Agreement#page196.tif  
source=Agreement#page197.tif  
source=Agreement#page198.tif  
source=Agreement#page199.tif  
source=Agreement#page200.tif  
source=Agreement#page201.tif  
source=Agreement#page202.tif  
source=Agreement#page203.tif  
source=Agreement#page204.tif  
source=Agreement#page205.tif  
source=Agreement#page206.tif  
source=Agreement#page207.tif  
source=Agreement#page208.tif  
source=Agreement#page209.tif  
source=Agreement#page210.tif  
source=Agreement#page211.tif  
source=Agreement#page212.tif  
source=Agreement#page213.tif  
source=Agreement#page214.tif  
source=Agreement#page215.tif  
source=Agreement#page216.tif  
source=Agreement#page217.tif  
source=Agreement#page218.tif  
source=Agreement#page219.tif  
source=Agreement#page220.tif  
source=Agreement#page221.tif  
source=Agreement#page222.tif  
source=Agreement#page223.tif  
source=Agreement#page224.tif  
source=Agreement#page225.tif  
source=Agreement#page226.tif  
source=Agreement#page227.tif  
source=Agreement#page228.tif  
source=Agreement#page229.tif  
source=Agreement#page230.tif  
source=Agreement#page231.tif  
source=Agreement#page232.tif  
source=Agreement#page233.tif  
source=Agreement#page234.tif  
source=Agreement#page235.tif  
source=Agreement#page236.tif  
source=Agreement#page237.tif  
source=Agreement#page238.tif  
source=Agreement#page239.tif  
source=Agreement#page240.tif  
source=Agreement#page241.tif

source=Agreement#page242.tif  
source=Agreement#page243.tif  
source=Agreement#page244.tif  
source=Agreement#page245.tif  
source=Agreement#page246.tif  
source=Agreement#page247.tif  
source=Agreement#page248.tif  
source=Agreement#page249.tif  
source=Agreement#page250.tif  
source=Agreement#page251.tif  
source=Agreement#page252.tif  
source=Agreement#page253.tif  
source=Agreement#page254.tif  
source=Agreement#page255.tif  
source=Agreement#page256.tif  
source=Agreement#page257.tif  
source=Agreement#page258.tif  
source=Agreement#page259.tif  
source=Agreement#page260.tif  
source=Agreement#page261.tif  
source=Agreement#page262.tif  
source=Agreement#page263.tif  
source=Agreement#page264.tif  
source=Agreement#page265.tif  
source=Agreement#page266.tif  
source=Agreement#page267.tif  
source=Agreement#page268.tif  
source=Agreement#page269.tif  
source=Agreement#page270.tif  
source=Agreement#page271.tif  
source=Agreement#page272.tif  
source=Agreement#page273.tif  
source=Agreement#page274.tif  
source=Agreement#page275.tif  
source=Agreement#page276.tif  
source=Agreement#page277.tif  
source=Agreement#page278.tif  
source=Agreement#page279.tif  
source=Agreement#page280.tif  
source=Agreement#page281.tif  
source=Agreement#page282.tif  
source=Agreement#page283.tif  
source=Agreement#page284.tif  
source=Agreement#page285.tif  
source=Agreement#page286.tif  
source=Agreement#page287.tif  
source=Agreement#page288.tif  
source=Agreement#page289.tif

source=Agreement#page290.tif  
source=Agreement#page291.tif  
source=Agreement#page292.tif  
source=Agreement#page293.tif  
source=Agreement#page294.tif  
source=Agreement#page295.tif  
source=Agreement#page296.tif  
source=Agreement#page297.tif  
source=Agreement#page298.tif  
source=Agreement#page299.tif  
source=Agreement#page300.tif  
source=Agreement#page301.tif  
source=Agreement#page302.tif  
source=Agreement#page303.tif  
source=Agreement#page304.tif  
source=Agreement#page305.tif  
source=Agreement#page306.tif  
source=Agreement#page307.tif  
source=Agreement#page308.tif  
source=Agreement#page309.tif  
source=Agreement#page310.tif  
source=Agreement#page311.tif  
source=Agreement#page312.tif  
source=Agreement#page313.tif  
source=Agreement#page314.tif  
source=Agreement#page315.tif  
source=Agreement#page316.tif  
source=Agreement#page317.tif  
source=Agreement#page318.tif  
source=Agreement#page319.tif  
source=Agreement#page320.tif  
source=Agreement#page321.tif  
source=Agreement#page322.tif  
source=Agreement#page323.tif  
source=Agreement#page324.tif  
source=Agreement#page325.tif  
source=Agreement#page326.tif  
source=Agreement#page327.tif  
source=Agreement#page328.tif  
source=Agreement#page329.tif  
source=Agreement#page330.tif  
source=Agreement#page331.tif  
source=Agreement#page332.tif  
source=Agreement#page333.tif  
source=Agreement#page334.tif  
source=Agreement#page335.tif  
source=Agreement#page336.tif  
source=Agreement#page337.tif

source=Agreement#page338.tif  
source=Agreement#page339.tif  
source=Agreement#page340.tif  
source=Agreement#page341.tif  
source=Agreement#page342.tif  
source=Agreement#page343.tif  
source=Agreement#page344.tif  
source=Agreement#page345.tif

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

-----X  
 In re: : Chapter 11  
 :  
 VERTIS HOLDINGS, INC., et al., : Case No. 12-12821 (CSS)  
 :  
 Debtors. : Jointly Administered  
 :  
 : Re: D.I. 16  
 -----X

**ORDER (I) AUTHORIZING AND APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS PURSUANT TO ASSET PURCHASE AGREEMENT WITH QUAD/GRAPHICS MARKETING, LLC; (II) AUTHORIZING THE DEBTORS TO ENTER INTO AND PERFORM THEIR OBLIGATIONS UNDER THE ASSET PURCHASE AGREEMENT; (III) AUTHORIZING AND APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE SALE; AND (IV) GRANTING CERTAIN RELATED RELIEF**

Upon the motion, dated October 11, 2012 [D.I. 16] (the "Motion"), of Vertis Holdings, Inc. and certain of its subsidiaries, as debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"),<sup>1</sup> pursuant to sections 105, 363 and 365 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2002-1 and 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), seeking entry of an order,

---

<sup>1</sup> The Debtors in these cases, along with the last four (4) digits of each Debtor's federal tax identification number, are Vertis Holdings, Inc. (1556); Vertis, Inc. (8322); ACG Holdings, Inc. (5968); Webcraft, LLC (6725); American Color Graphics, Inc. (3976); Vertis Newark, LLC (6726); Mail Efficiency, LLC (4382); and 5 Digit Plus, LLC (8690). The address of the Debtors' corporate headquarters is: 250 West Pratt Street, Baltimore, MD 21201.

among other things, (i) authorizing and approving the Debtors to sell substantially all of their assets (the "Acquired Assets") free and clear of all liens, claims, encumbrances and other interests to Quad/Graphics Marketing, LLC (the "Buyer") pursuant to the terms and conditions of that certain Asset Purchase Agreement, dated October 10, 2012, as amended by Amendment No. 1 to Asset Purchase Agreement, dated December 5, 2012, a copy of which is attached hereto as Exhibit 1 (together with all exhibits and schedules thereto, and as may be further amended, the "Agreement");<sup>2</sup> (ii) authorizing and approving the entry into, performance under and the terms and conditions of the Agreement (including all actions taken or required to be taken in connection with the implementation and consummation of the Agreement); (iii) authorizing and approving the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale; and (iv) granting certain related relief, all as more fully described in the Motion and the Agreement; and the Court having entered an order on November 2, 2012 [D.I. 206] (the "Bidding Procedures Order") (i) approving procedures (the "Bidding Procedures") for (a) submitting bids for the purchase of substantially all of the Debtors' assets and (b) conducting an auction for the Debtors' assets (the "Auction"); (ii) approving the break-up fee and expense reimbursement for the Buyer; and (iii) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale of the Debtors' assets; and a hearing having been held to consider the relief requested in the Motion (the "Sale Approval Hearing"); and upon the record of the Sale Approval Hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors, and all other parties in interest and that the legal and factual bases set forth in the Motion and at the Sale

---

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

Approval Hearing establish just cause for the relief granted in this Order; and after due deliberation and sufficient cause appearing therefor:

**THE COURT HEREBY FINDS THAT:<sup>3</sup>**

**Jurisdiction and Venue**

A. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this District and this Court under 28 U.S.C. §§ 1408 and 1409.

**Statutory Predicates**

B. The statutory predicates for the relief requested in the Motion are sections 105, 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, and Local Rules 2002-1 and 6004-1.

**Final Order**

C. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, this Court expressly finds that there is no just reason for delay in the implementation of this Order and that waiver of any applicable waiting period is appropriate, and expressly directs entry of judgment as set forth in this Order.

**Compliance with Bidding Procedures Order**

D. As demonstrated by (i) the testimony and other evidence proffered or introduced at the Sale Approval Hearing and (ii) the representations of counsel made on the

---

<sup>3</sup> The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.



record at the Sale Approval Hearing, the Debtors have thoroughly and fairly marketed the Acquired Assets and conducted the related sale process in good faith and in compliance in all respects with the Bidding Procedures and the Bidding Procedures Order. All interested persons and entities have been afforded a full, fair and reasonable opportunity to (i) conduct due diligence investigations, (ii) submit bids and to submit higher or otherwise better bids to purchase the Acquired Assets, and (iii) object or be heard with respect to the Motion and the relief granted by this Order. The Bidding Procedures were non-collusive, formulated and implemented in good faith, were substantively and procedurally fair to all parties, and obtained the highest and/or best value for the Acquired Assets for the Debtors and their estates and creditors.

E. The Buyer is the Successful Bidder (as defined in the Bidding Procedures) for the Acquired Assets in accordance with the Bidding Procedures Order and the consideration provided by the Buyer under the Agreement constitutes the highest or otherwise best offer and provides fair and reasonable consideration to the Debtors for the sale of all the Acquired Assets and the assumption of all Assumed Liabilities. The Buyer has complied in all respects with the Bidding Procedures Order and any other applicable order of this Court in negotiating and entering into the Agreement, and the sale and the Agreement likewise comply with the Bidding Procedures Order and any other applicable order of this Court.

**Notice**

F. As evidenced by the affidavits of service and publication previously filed with the Court, proper, timely, adequate, and sufficient notice of the Motion, the Auction, the Sale Approval Hearing, the sale of the Acquired Assets (the "Sale"), and the assumption and assignment of the Designated Assumed Contracts has been provided in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and

9014, all applicable Local Rules, and in compliance with the Bidding Procedures Order. Such notice was good, sufficient, and appropriate under the particular circumstances, and no other or further notice of the Motion, the Auction, the Sale Approval Hearing, the Sale, the assumption and assignment of the Designated Assumed Contracts, or entry of this Order is required.

G. Actual written notice of the Motion, the Auction, the Sale Approval Hearing, the Sale, and the potential assumption and assignment of the Contracts (as defined below), and a fair and reasonable opportunity to object or otherwise be heard with respect to the Motion, the Sale and the relief granted by this Order has been afforded to all interested parties, including, without limitation, (i) the Office of the United States Trustee for the District of Delaware (the "United States Trustee"), (ii) counsel for the Official Committee of Unsecured Creditors (the "Creditors' Committee"), (iii) all known creditors of the Debtors, (iv) any entity known or reasonably believed to have asserted an interest in or lien, charge, encumbrance or other interest against any of the Acquired Assets, (v) all counterparties to the Contracts, (vi) any entity that has expressed a *bona fide* interest in acquiring the Acquired Assets in the six (6) months preceding the date of the Motion, (vii) all taxing authorities having jurisdiction over any of the Acquired Assets, including the Internal Revenue Service, (viii) the Securities and Exchange Commission, (ix) the United States Environmental Protection Agency, (x) any applicable state environmental agency, (xi) the United States Department of Justice, (xii) the United States Attorney's office, (xiii) the Attorneys General in any State or Commonwealth where the Acquired Assets are located, and (xiv) all parties that have requested notice pursuant to Bankruptcy Rule 2002.

H. The Debtors published notice of the Sale, the deadline to submit bids for the Acquired Assets, the time and place of the Auction, the time and place of the Sale Approval Hearing, and the time for filing an objection to the Sale or the Motion, in *USA Today* on

November 7, 2012, and in *The New York Times* on November 7, 2012. Such publication notice was good, sufficient, and proper notice to any interested parties whose identities are unknown to the Debtors.

I. On November 16, 2012, the Debtors served individualized notices (the "Cure Notices") of the potential assumption and assignment of the executory contracts and unexpired leases of the Debtors capable of being assumed by the Debtors and assigned to the Buyer, as set forth on the Initial Annex B (collectively, the "Contracts"), on the counterparties to such Contracts, which notice included (i) the Contracts that could potentially be assumed and assigned, (ii) the name of the counterparties to such Contracts, (iii) the amount, if any, determined by the Debtors to be necessary to be paid as of the date of the Cure Notices upon the assumption of the Contracts, to the extent such Contracts become Designated Assumed Contracts (the "Cure Amounts"), and (iv) the deadline by which any counterparty to any of the Contracts must object to the possible assumption by the Debtors and assignment to the Buyer of the Contracts, to the extent such Contracts become Designated Assumed Contracts. The service of such Cure Notices was good, sufficient, and appropriate under the particular circumstances and no other or further notice of the assumption and assignment of the Contracts, to the extent such Contracts become Designated Assumed Contracts, or the applicable Cure Amounts is required. Each counterparty to the Contracts has had an opportunity to object to the assumption by the Debtors and the assignment to the Buyer of the Contracts, to the extent such Contracts become Designated Assumed Contracts, and to the applicable Cure Amounts set forth in the Cure Notices.

J. On November 19, 2012, the Debtors filed under seal the Initial Annex B with the Court, and served the following parties with a copy: (i) counsel to the Buyer, (ii) the United States Trustee, (iii) counsel to the Creditors' Committee, (iv) counsel to the Required

Prepetition Lenders, and (v) counsel to the DIP Agent. On December 5, 2012, the Debtors filed under seal an amendment to the Initial Annex B.

K. On November 26, 2012 [D.I. 333], the Debtors served notice of the selection of the Buyer as the Successful Bidder for the Acquired Assets and cancellation of the Auction on (i) the United States Trustee, (ii) counsel for the Creditors' Committee, (iii) all known creditors of the Debtors, (iv) any entity known or reasonably believed to have asserted an interest in or lien, charge, or encumbrance against any of the Acquired Assets, (v) all counterparties to the Contracts, (vi) any entity that has expressed a *bona fide* interest in acquiring the Acquired Assets in the six (6) months preceding the date of the Motion, (vii) all taxing authorities having jurisdiction over any of the Acquired Assets, including the Internal Revenue Service, (viii) the Securities and Exchange Commission, (ix) the United States Environmental Protection Agency, (x) any applicable state environmental agency, (xi) the United States Department of Justice, (xii) the United States Attorney's office, (xiii) the Attorneys General in any State or Commonwealth where the Acquired Assets are located, (xiv) all parties that have requested notice pursuant to Bankruptcy Rule 2002, and (xv) all Qualified Bidders (as defined in the Bidding Procedures).

**Highest or Otherwise Best Offer**

L. The offer of Buyer, upon the terms and conditions set forth in the Agreement, including the form and total consideration to be realized by the Debtors pursuant to the Agreement (i) is the highest and/or best offer received by the Debtors, (ii) is fair and reasonable, (iii) is in the best interests of the Debtors' creditors and estates, and (iv) constitutes fair value, fair, full and adequate consideration, reasonably equivalent value and reasonable market value for the Acquired Assets.

**Corporate Authority**

M. The Debtors have full corporate power and authority to execute and deliver the Agreement and all other documents contemplated thereby, including, without limitation, the Transition Services Agreement, and the Sale has been duly and validly authorized by all necessary corporate action of each of the Debtors, and upon entry of this Order the Debtors shall have full corporate power and authority to consummate the transactions contemplated by the Agreement. Except as otherwise set forth in the Agreement, no further consents or approvals are required for the Debtors to consummate the transactions contemplated by the Agreement.

**Good Faith Purchaser**

N. The Buyer is purchasing the Acquired Assets in good faith, and is a "good faith purchaser" within the meaning of section 363(m) of the Bankruptcy Code, and is therefore entitled to the full protection of that provision and any other applicable or similar bankruptcy and non-bankruptcy law. The Buyer has at all times acted in good faith and will continue to act in good faith within the meaning of section 363(m) of the Bankruptcy Code in closing the Sale. Neither the Buyer nor any of Buyer's affiliates is an "insider" of any of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code.

**Arm's-Length Sale**

O. The Agreement was negotiated, proposed, and entered into by the Debtors and the Buyer without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtors nor the Buyer have engaged in any conduct that would cause or permit the avoidance of the Sale or the Agreement or the imposition of costs or damages under section 363(n) of the Bankruptcy Code.

**Business Justification**

P. The Debtors have demonstrated good, sufficient and sound business reasons and compelling circumstances to enter into the Agreement, sell the Acquired Assets, and assume and assign the Designated Assumed Contracts under sections 363 and 365 of the Bankruptcy Code, and such actions are appropriate and reasonable exercises of the Debtors' business judgment and in the best interests of the Debtors, their estates and creditors, and all other parties in interest. Such business reasons include, but are not limited to, the facts that (i) there is substantial risk of deterioration of the value of the Acquired Assets if the Sale is not consummated quickly, (ii) the Agreement constitutes the highest and/or best offer for the Acquired Assets, (iii) no other person or entity or group of persons or entities has offered to purchase the Acquired Assets for greater economic value to the Debtors' estates than the Buyer, and (iv) the Sale pursuant to the terms of the Agreement presents the best opportunity to realize the value of the Debtors and avoid decline and devaluation of the Debtors' businesses. The Debtors' determination that the Agreement constitutes the highest and/or best offer for the Acquired Assets constitutes a valid and sound exercise of the Debtors' business judgment.

Q. The terms and conditions of the Agreement, including the consideration to be realized by the Debtors pursuant to the Agreement, are fair and reasonable, and the transactions contemplated by the Agreement are in the best interests of the Debtors, their estates and creditors, and all other parties in interest. Approval of the Motion, the Agreement, the Sale, the assumption and assignment of the Designated Assumed Contracts, and the consummation of the transactions contemplated thereby is in the best interests of the Debtors, their estates and creditors, and all other parties in interest.

### **No Fraudulent Transfer**

R. The consideration provided by the Buyer for the Acquired Assets pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest and/or best offer for the Acquired Assets, (iii) will provide a greater recovery for the Debtors' estates and creditors than would be provided by any other practical available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, any other laws of the United States, and the laws of any state, territory, possession, and the District of Columbia.

S. The Buyer is not a mere continuation of the Debtors or their estates, there is no continuity or common identity between the Buyer and any of the Debtors, and there is no continuity of enterprise between the Buyer and any of the Debtors. The Buyer is not holding itself out to the public as a continuation of any of the Debtors. The Buyer is not a successor to any of the Debtors or their estates and the Sale does not amount to a consolidation, merger, or *de facto* merger of the Buyer with or into any of the Debtors. Neither entry into the Agreement nor the Sale of the Acquired Assets to the Buyer is being undertaken for the purpose of escaping liability for any of the Debtors' debts or hindering, delaying, or defrauding the Debtors' present or future creditors under the Bankruptcy Code, any other laws of the United States, or the laws of any state, territory, possession, or District of Columbia.

### **DIP Payoff Amount**

T. As set forth in that certain *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Senior Secured Super-Priority Financing Pursuant to 11 U.S.C. §§ 361, 362, 363(c), 363(e), 364(d)(1) and 364(e) and (B) Utilize Cash Collateral of Certain Prepetition Secured Parties, (II) Authorizing the Repayment in Full of Amounts Owed Under the Prepetition Senior Secured Revolving Credit Facility, (III) Granting Priming Liens, Priority Liens and Superpriority Claims to the DIP Lenders, (IV) Granting Adequate Protection to Certain*

*Prepetition Senior Secured Parties, (V) Scheduling a Final Hearing pursuant to Bankruptcy Rules 4001(b) and (c), and (VI) Granting Related Relief [D.I. 203] (the “Final DIP Order”) and that certain Senior Secured Priming and Superpriority Debtor-In-Possession Credit Agreement, by and among, inter alia, the Debtors, General Electric Capital Corporation (“GE Capital”) as administrative agent and collateral agent (in such capacities, the “DIP Agent”) and the lenders party thereto (including GE Capital, collectively, the “DIP Lenders”), in substantially the form attached as Exhibit A to the Final DIP Order (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “DIP Credit Agreement”), and any related documents required to be delivered by or in connection with the DIP Credit Agreement (collectively, the “DIP Credit Documents”), the DIP Agent and the DIP Lenders are secured creditors of the Debtors, holding valid liens, claims, interests and encumbrances in, on and against the Debtors, their estates and property of the estates, arising in connection with the DIP Credit Documents, and under which the DIP Agent and the DIP Lenders hold a claim, not subject to subordination and otherwise unavoidable in these chapter 11 cases and any subsequent chapter 7 cases, against the Debtors for principal, accrued interest, reimbursable fees and expenses and rights with respect to the cash collateralization of issued and outstanding letters of credit (each of the foregoing, as of the Closing Date) plus interest, fees and reimbursable expenses accrued after the Closing Date and while the obligations under the DIP Credit Documents remain outstanding (collectively, the “DIP Payoff Amount”).*

**Free and Clear**

U. Except as otherwise expressly provided in the Agreement or this Order, the Acquired Assets shall be sold free and clear of all interests, obligations, rights, encumbrances, pledges, liens (including, without limitation, mechanics’, materialmens’, and other consensual and non-consensual liens and statutory liens), mortgages, deeds of trust,



security interests, claims (including, any "claim" as defined in section 101(5) of the Bankruptcy Code), liabilities, debt obligations, losses, penalties, leases, charges, offsets, contracts, options, rights of first refusal, rights of first offer, rights of first sale, rights of notice, easements, servitudes, proxies, voting trusts or agreements, transfer restrictions under any agreement, conditional sale or other title retention agreements, judgments, hypothecations, demands, licenses, sublicenses, assignments, indentures, loan agreements, instruments, debts, rights of recovery, guaranties, contractual commitments, restrictions, recoupment, labor and employment rights and claims, employee benefit agreements and obligations, collective bargaining agreements and obligations, pension rights and claims, claims based on reimbursement, contribution, indemnity, exoneration, products liability, tortious conduct, property damage, personal injury, alter-ego or taxes, claims based on pension plan contributions and related liabilities, environmental liabilities or obligations (including, without limitation, toxic tort claims), options to purchase, regulatory violations, decrees of any court or foreign or domestic governmental entity, charges of any kind or nature, debts arising in any way in connection with any agreements, acts, or failures to act, reclamation claims, obligation claims and Excluded Liabilities, in each case, of whatever kind, nature, or description in, against or with respect to any of the Acquired Assets, the Debtors, or the Business having arisen, existed, or accrued prior to and through the Closing Date, whether direct or indirect, absolute or contingent, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, material or non-material, disputed or undisputed, known or unknown, matured or unmatured, liquidated or unliquidated, arising or imposed by agreement, understanding, law, equity, statute, or otherwise, and whether arising prior to, on or after the Petition Date, including claims or liabilities otherwise arising under doctrines of successor liability, *de facto* merger or substantial continuity or liabilities or obligations arising under any

Law or Decree (other than Liens created by the Buyer, the Permitted Liens, and the Assumed Liabilities, collectively, "Interests").

V. The Buyer is not a continuation of the Debtors or their respective estates and there is no continuity between the Buyer and the Debtors. The Buyer is not holding itself out to the public as a continuation of the Debtors or their respective estates and the Sale does not amount to a consolidation, merger or de facto merger of the Buyer and the Debtors.

W. The transfer of the Acquired Assets to the Buyer free and clear of all Interests will not result in any undue burden or prejudice to any holders of any Interests as such Interests shall attach to the net proceeds of the Sale that are ultimately attributable to the Acquired Assets when received by the Debtors, including any amounts ultimately distributed to the Debtors from the Working Capital Escrow Deposit and Transfer Tax Escrow (each as defined and provided for in the Agreement, collectively, the "Escrowed Funds") but only to the extent actually received by the Debtors after disbursement of the Escrowed Funds in accordance with the terms of the Agreement, in the order of their priority, with the same validity, force and effect which they now have as against the Acquired Assets and subject to any claims and defenses the Debtors, their estates, or other parties may possess with respect to such Interests. For the avoidance of doubt, nothing contained in the Agreement, including, without limitation, Section 6(f)(v), regarding the allocation of the Initial Purchase Price, shall prejudice any party's right to submit valuation evidence in support of its claim against the Debtors' estates.

X. The Debtors may sell the Acquired Assets free and clear of all Interests because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. All holders of Interests who did not object or who withdrew their objections to the Sale or the Motion are deemed to have consented to the Sale and the relief requested in the Motion pursuant to section 363(f)(2) of the Bankruptcy Code. All

other holders of Interests, including those who maintained and did not withdraw objections to the Sale or the Motion, if any, fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code, including, without limitation, section 363(f)(5) of the Bankruptcy Code because such holders could be compelled in a legal or equitable proceeding to accept a money satisfaction on account of such Interests, and are adequately protected by having their Interests, if any, attach to the net proceeds of the Sale that are ultimately attributable to the Acquired Assets when received by the Debtors (including any amounts ultimately distributed to the Debtors from the Escrowed Funds but only to the extent actually received by the Debtors after disbursement of the Escrowed Funds in accordance with the terms of the Agreement), in which such holders allege Interests, in the same order of priority, with the same validity, force and effect that such holders had prior to the Sale, subject to any claims and defenses the Debtors, their estates, or other parties may possess with respect to such Interests. For the avoidance of doubt, nothing contained in the Agreement, including, without limitation, Section 6(f)(v), regarding the allocation of the Initial Purchase Price, shall prejudice any party's right to submit valuation evidence in support of its claim against the Debtors' estates.

Y. The Buyer would not have entered into the Agreement and will not consummate the transactions contemplated thereby, thus adversely affecting the Debtors, their estates, creditors, and other parties in interest, if the Sale and the assumption and assignment of the Designated Assumed Contracts were not free and clear of all Interests, or if the Buyer, its affiliates, or their respective officers, directors or shareholders, or the Acquired Assets, would, or in the future could, be liable for any such Interests, or would have any liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or equity, or by payment, setoff, or otherwise, directly or indirectly, any Interests, including rights or claims based on any successor or transferee liability.

Z. Not selling the Acquired Assets free and clear of all Interests would adversely impact the Debtors' efforts to maximize the value of their estates, and the Sale of the Acquired Assets other than one free and clear of all Interests would be of substantially less benefit to the Debtors' estates.

**Validity of Transfer**

AA. The consummation of the Agreement and the Sale is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f), and all of the applicable requirements of such sections have been complied with in respect of the transactions contemplated under the Agreement.

BB. The Acquired Assets constitute property of the Debtors' estates and good and indefeasible title to the Acquired Assets is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code, and no other person has any ownership right or ownership interest therein or title thereto.

CC. Pursuant to the terms of the Agreement, the Buyer is not acquiring any of the Excluded Assets.

DD. The transfer of the Acquired Assets to the Buyer under the Agreement will be a legal, valid and effective transfer of all of the legal, equitable and beneficial right, title and interest in and to the Acquired Assets free and clear of all Interests. The Debtors may sell their interests in the Acquired Assets free and clear of all Interests because, in each case, one or more of the standards set forth in section 363(f) has been satisfied. The transfer of the Acquired Assets to the Buyer will vest the Buyer with good and marketable title to the Acquired Assets.

### Designated Assumed Contracts

EE. The assumption and assignment of the Designated Assumed Contracts (as such Designated Assumed Contracts may be amended, supplemented or otherwise modified prior to assumption and assignment without further order of the Court and with the consent of the Debtors, the contract counterparty and the Buyer) free and clear of Interests pursuant to the terms of this Order is integral to the Agreement and is in the best interests of the Debtors, their estates and creditors, and all other parties in interest, and represents a reasonable exercise of the Debtors' sound and prudent business judgment.

FF. Pursuant to the terms of the Agreement, on or before the Closing Date, the Debtors shall have: (i) cured or provided adequate assurance of cure of, any monetary default existing as of and including the Closing Date under any of the Designated Assumed Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code, and (ii) provided compensation, or adequate assurance of compensation, to any party for actual pecuniary loss to such party resulting from a monetary default existing as of and including the Closing Date under any of the Designated Assumed Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code.

GG. The Buyer has demonstrated adequate assurance of its future performance under the Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code. Pursuant to section 365(f) of the Bankruptcy Code, the Designated Assumed Contracts to be assumed and assigned under the Agreement shall be assigned and transferred to, and remain in full force and effect for the benefit of, the Buyer notwithstanding any provision in the contracts or other restrictions prohibiting their assignment or transfer.

### **Compelling Circumstances for an Immediate Sale**

HH. To maximize the value of the Acquired Assets, preserve the viability of the business to which the Acquired Assets relate, and avoid deterioration, erosion of value, and uncertainty with respect to the future operation of the Acquired Assets, it is essential that the Sale of the Acquired Assets occur within the time constraints set forth in the Motion, the Bidding Procedures Order, and the Agreement. Time is of the essence in consummating the Sale. Accordingly, there is cause to waive the stay contemplated by Bankruptcy Rules 6004 and 6006.

II. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the approval and consummation of the Sale prior to, and outside of, a chapter 11 plan. The Sale pursuant to the Agreement neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a liquidating chapter 11 plan for the Debtors, and therefore, does not constitute a *sub rosa* plan.

JJ. Given all of the circumstances of these cases and the adequacy and fair value of the Purchase Price under the Agreement, the Sale of the Acquired Assets to the Buyer constitutes a reasonable and sound exercise of the Debtors' business judgment.

### **IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:**

#### **General Provisions**

1. The Motion is granted and approved as provided in this Order. The Motion complies with all provisions of Local Rule 6004-1 other than those previously waived by the Court.

2. All objections and responses, if any, to the Sale or the Motion that have not been withdrawn, waived, settled, or continued by agreement of the parties, and all reservations of rights included in such objections and responses, are overruled on the merits and

denied with prejudice. All persons and entities given notice of the Motion that failed to timely object thereto, including, without limitation, all non-debtor parties to any Contracts, are deemed to have consented to the relief sought therein.

3. This Court's findings of fact and conclusions of law set forth in the Bidding Procedures Order are incorporated in this Order by reference.

**Approval of the Agreement**

4. The Agreement and all other ancillary documents, including, without limitation, the Transition Services Agreement, and all of the terms and conditions of the Agreement and such other ancillary documents, including, without limitation, the Transition Services Agreement, are approved in all respects.

5. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized and directed (i) to take any and all actions necessary or appropriate to execute and deliver, perform under, consummate, implement, and effectuate the Agreement together with any and all instruments and documents, including, without limitation, the Transition Services Agreement, that may be reasonably necessary or desirable to implement and effectuate the terms of the Agreement, this Order, and the Sale, and to take all further actions as may be reasonably requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer, or reducing to possession, the Acquired Assets, free and clear of all Interests, and the Assumed Liabilities, (ii) to assume and assign the Contracts designated as Designated Assumed Contracts on the Final Annex B to the Buyer on the Closing Date pursuant to the terms of the Agreement, and (iii) to take any and all actions as may be necessary or appropriate to the performance of the Debtors' obligations as contemplated by the Agreement, without any further corporate action or order of this Court. For the avoidance of doubt, nothing in this Order authorizes, or shall be deemed to authorize, the Debtors to use the Escrowed Funds

prior to the time (if any) that the Escrowed Funds are disbursed in accordance with the terms of the Agreement, and then only to the extent actually received by the Debtors.

**Transfer of the Acquired Assets**

6. Except as otherwise expressly provided in the Agreement or this Order, pursuant to sections 105(a), 363(b), 363(f), 365(b), and 365(f) of the Bankruptcy Code, the Debtors are authorized and directed to transfer the Acquired Assets to the Buyer on the Closing Date pursuant to the terms and conditions of the Agreement and this Order free and clear of all Interests, with all such Interests to attach to the net proceeds of the Sale that are ultimately attributable to the Acquired Assets when received by the Debtors (including any amounts ultimately distributed to the Debtors from the Escrowed Funds but only to the extent actually received by the Debtors after disbursement of the Escrowed Funds in accordance with the terms of the Agreement), in the order of their priority, with the same validity, force and effect which they now have as against the Acquired Assets and subject to any claims and defenses the Debtors, their estates or other parties may possess with respect to such Interests.

7. The transfer of the Acquired Assets to the Buyer will be, as of the Closing Date, a legal, valid, binding and effective transfer of the Acquired Assets, and, except as otherwise expressly provided in the Agreement or this Order, shall vest the Buyer with all right, title, and interest of the Debtors in and to the Acquired Assets free and clear of all Interests accruing, arising, or relating to such Acquired Assets any time prior to and through the Closing Date. Except as otherwise expressly provided in the Agreement or this Order, the Buyer shall not assume or become liable for any Interests relating to the Acquired Assets, provided, however, that the Buyer shall not be relieved of liability with respect to Liens created by the Buyer, the Permitted Liens, and the Assumed Liabilities.



8. To the fullest extent permitted under applicable law, the Buyer shall be authorized, as of the Closing Date, to operate under any license, Permit, registration and governmental authorization or approval of the Debtors with respect to the Acquired Assets or the Business, and all such licenses, Permits, registrations and governmental authorizations and approvals are deemed to have been, and hereby are, directed to be transferred to the Buyer as of the Closing Date, provided however, that nothing in the Agreement or this Order shall authorize the transfer of a permit or license without governmental approval where applicable nonbankruptcy law requires governmental approval of such transfer; provided further, that the foregoing is not intended to modify the protections provided by section 525 of the Bankruptcy Code to the extent applicable.

9. Except as expressly permitted or otherwise specifically provided by the Agreement or this Order, all persons and entities (including, but not limited to, all debt security holders, equity security holders, affiliates, governmental, tax and regulatory authorities, lenders, customers, vendors, employees, trade creditors, litigation claimants, and other creditors) and their respective successors and assigns holding Interests in all or any portion of the Acquired Assets arising under or out of, in connection with, or in any way relating to the Debtors, the Acquired Assets, the operation of the Business prior to and including the Closing Date or the transfer of the Acquired Assets to the Buyer, are hereby forever barred, estopped, and permanently enjoined from asserting such Interests against the Buyer, its successors and assigns, and their property, including, without limitation, the Acquired Assets. Following the Closing, no holder of any Interest shall interfere with Buyer's title to or use and enjoyment of the Acquired Assets based on or related to any such Interest, or based on any action the Debtors may take in their Chapter 11 Cases.

10. On the Closing Date, each holder of an Interest is authorized and directed to execute such documents and take all other actions as may be necessary to release such Interest, if any, as provided for in this Order, as such Interests may have been recorded or may otherwise exist.

11. Upon consummation of the transactions contemplated in the Agreement, the Buyer shall be authorized to file termination statements or lien terminations in any required jurisdiction to remove any record, notice filing, or financing statement recorded to attach, perfect, or otherwise notice any lien or encumbrance that is extinguished or otherwise released pursuant to this Order under section 363 and the related provisions of the Bankruptcy Code.

12. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Acquired Assets to the Buyer in accordance with the terms of the Agreement and this Order.

13. All persons and entities that are in possession of some or all of the Acquired Assets on the Closing Date are directed to surrender possession of such Acquired Assets to the Buyer on the Closing Date.

14. A certified copy of this Order may be filed with any appropriate clerk and/or recorded with any appropriate recorder to act to cancel any of the Interests of record in the Acquired Assets and to resolve any title issues with respect to the Acquired Assets.

15. If any person or entity which has filed statements or other documents or agreements evidencing Interests with respect to all or any portion of the Acquired Assets shall not have delivered to the Debtors prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary or desirable to the Buyer for the

purpose of documenting the release of all Interests that the person or entity has or may assert with respect to all or any portion of the Acquired Assets, the Debtors and the Buyer are hereby authorized to execute and file such statements, instruments, releases, and other documents on behalf of such person or entity with respect to the Acquired Assets.

16. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease, and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

17. This Order shall be effective as a determination that, as of the Closing, (i) no Interests (other than Assumed Liabilities) will be capable of being asserted against the Buyer or any of its respective assets (including the Acquired Assets), (ii) the Acquired Assets shall have been transferred to the Buyer free and clear of all Interests and (iii) the conveyances described herein have been effected.

**Assumption and Assignment of Designated Assumed Contracts**

18. Unless otherwise agreed to with the applicable Contract counterparty, each of the Contracts identified on the Cure Notices and the Initial Annex B to the Agreement, an amended copy of which has been filed with the Court under seal [D.I. 416], constitutes an executory contract or unexpired lease under section 365 of the Bankruptcy Code that is capable

of being assumed by the Debtors and assigned to the Buyer at the Closing, and all other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to the Buyer of the Designated Assumed Contracts have been satisfied.

19. At any time prior to the date that is five (5) days prior to the Closing Date, the Buyer may, by written notice to the Debtors, remove from the Initial Annex B any Contract that the Buyer elects not to have assumed by the Debtors and assigned to the Buyer at the Closing, and such Contract shall thereafter be deemed an Excluded Asset. The Initial Annex B, as so amended and modified prior to the date that is five (5) days prior to the Closing Date so as to constitute the final list of Designated Assumed Contracts (defined as the "Final Annex B" in the Agreement), shall be filed with the Bankruptcy Court under seal no later than four (4) days prior to the Closing Date, with a separate notice served on the counterparties to each of the Designated Assumed Contracts so designated on the Final Annex B, advising such counterparty of the assumption and assignment of its Contract effective upon the Closing Date.

20. Except as otherwise expressly provided in the Agreement or this Order, upon the Closing Date, pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, the Debtors are authorized and directed to (i) assume each of the Designated Assumed Contracts, as designated on the Final Annex B, and assign the Designated Assumed Contracts to the Buyer free and clear of all Interests, and (ii) execute and deliver to the Buyer such documents or other instruments as may be necessary to assign the Designated Assumed Contracts to the Buyer.

21. Unless otherwise agreed to with the applicable Contract counterparty or upon further order of the Court, the Cure Amounts set forth on the Initial Annex B, together with any additional amounts as may be due and owing under the applicable Designated Assumed Contracts from and after the date of the Cure Notices and through the Closing Date (the

“Additional Cure Amounts”), are the sole amounts necessary to be paid upon the assumption of the Designated Assumed Contracts under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code and the payment of the applicable Cure Amounts and Additional Cure Amounts by the Debtors shall, subject to the terms of the Agreement, (i) effect a cure of all defaults existing under the Designated Assumed Contracts as of and including the Closing Date, and (ii) compensate the counterparties to the Designated Assumed Contracts for any actual pecuniary loss resulting from all defaults existing under the Designated Assumed Contracts as of and including the Closing Date. Upon the payment of the Cure Amounts and the Additional Cure Amounts, if any, the Designated Assumed Contracts will remain in full force and effect, and no default shall exist under the Designated Assumed Contracts nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default. The Cure Amounts shall not be subject to further dispute or audit, including any based on performance prior to the Closing Date, irrespective of whether such Designated Assumed Contract contains an audit clause. After the payment of the Cure Amounts and the Additional Cure Amounts by the Debtors, neither the Debtors nor the Buyer shall have any further liabilities to the counterparties to the Designated Assumed Contracts other than the Buyer’s obligations under the Designated Assumed Contracts that accrue and become due and payable on or after the Closing Date. The Court shall hold a hearing on January 23, 2013 at 10:00 a.m. (EST) to consider any unresolved objections to Cure Amounts, or such other date as agreed between the Debtors and the applicable counterparty.

22. Any provisions in any Designated Assumed Contract that prohibit or condition the assignment of such Designated Assumed Contract or allow the counterparty to such Designated Assumed Contract to terminate, recapture, impose any penalty, condition on renewal or extension, or modify any term or condition upon the assignment of such Designated

Assumed Contract, constitute unenforceable anti-assignment provisions that are void and of no force and effect. All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to Buyer of the Designated Assumed Contracts have been satisfied.

23. Upon the Closing Date, in accordance with sections 363 and 365 of the Bankruptcy Code, (i) the Buyer shall be fully and irrevocably vested with all right, title, and interest of the Debtors under the Designated Assumed Contracts, (ii) the Buyer shall be deemed to be substituted for the Debtors as a party to the applicable Designated Assumed Contracts, and (iii) the Debtors shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Designated Assumed Contracts.

24. The Buyer has provided adequate assurance of future performance under the Contracts within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

25. There shall be no rent accelerations, assignment fees, increases, or any other fees charged to the Buyer or the Debtors as a result of the assumption and assignment of the Designated Assumed Contracts. The validity of the assumption and assignment of the Designated Assumed Contracts to the Buyer shall not be affected by any dispute between any of the Debtors or their affiliates and any counterparty to any Designated Assumed Contract regarding the payment of any amount, including any Cure Amount or Additional Cure Amount under the Bankruptcy Code. Upon assignment to the Buyer, the Designated Assumed Contracts shall be valid and binding, in full force and effect, and enforceable by the Buyer in accordance with their respective terms.

26. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, all counterparties to the Designated Assumed Contracts are hereby forever barred and permanently

enjoined from (i) raising or asserting against the Debtors or the Buyer any assignment fee, default, acceleration, breach, claim, pecuniary loss, or condition to assignment arising under or related to the Designated Assumed Contracts existing as of and including the Closing Date or arising by reason of the closing of the Sale, including any breach related to or arising out of change-of-control provisions in such Designated Assumed Contracts, or any purported written or oral modification to the Designated Assumed Contracts, and (ii) asserting against Buyer (or its property, including the Acquired Assets) any claim, counterclaim, defense, breach, condition or setoff asserted or capable of being asserted against the Debtors existing as of the Closing Date or arising by reason of the Closing.

27. The failure of the Debtors or the Buyer to enforce at any time one or more terms or conditions of any Designated Assumed Contract shall not be a waiver of such terms or conditions, or of the Buyer's rights to enforce every term and condition of the Designated Assumed Contracts.

28. Any party that may have had the right to consent to the assignment of a Designated Assumed Contract is deemed to have consented to such assignment for purposes of section 365(e)(2)(A)(ii) of the Bankruptcy Code and otherwise if such party failed to object to the assumption and assignment of such Designated Assumed Contract.

29. Notwithstanding anything to the contrary in this Order, no Designated Assumed Contracts shall be assumed and assigned to Buyer until the Closing.

**No Successor or Transferee Liability**

30. Except as otherwise expressly provided in the Agreement or this Order, the Buyer shall not have any liability or other obligation of the Debtors arising under or related to any of the Acquired Assets or the Business except with respect to Liens created by the Buyer, the Permitted Liens, and the Assumed Liabilities. Without limiting the generality of the

foregoing, and except as otherwise specifically provided in the Agreement or this Order, the Buyer shall not be liable for any Interests, claims or liabilities against the Debtors or any of its predecessors or affiliates, and the Buyer shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental (including, without limitation, the presence of hazardous, toxic, polluting, or contaminating substances or wastes), products liability, successor or transferee liability, labor law, *de facto* merger or substantial continuity, whether known or unknown as of and including the Closing Date, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to and including the Closing Date, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Business or any of the Acquired Assets prior to and including the Closing Date. For the avoidance of doubt, except to the extent expressly included in the Assumed Liabilities, the Buyer shall have no liability or obligation under any Multiemployer Plan (as defined in the Agreement), any Employee Benefit Plan (other than any Assumed Benefit Plan but only to the extent expressly provided in the Agreement), the WARN Act (as defined in the Agreement), the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), COBRA (as defined in the Agreement), the Fair Labor Standard Act, Title VII of the Civil Rights Act of 1964 (as amended), the Age Discrimination and Employment Act of 1967 (as amended), the Federal Rehabilitation Act of 1973 (as amended), the NLRA (or other collective bargaining laws) or any foreign, federal, state or local law or regulation of similar import or otherwise by virtue of Buyer's purchase of the Acquired Assets or assumption of the Assumed Liabilities by Buyer. Further for the avoidance of doubt, (i) Buyer is not assuming, and shall have no liability for, arising under or relating to COBRA with respect to any Employee Benefit



Plan and any and all such liability shall be an Excluded Liability and (ii) Buyer is not assuming, and shall have no liability for, arising under or relating to any Multiemployer Plan for any liability relating to a "complete withdrawal" or "partial withdrawal" (as respectively defined in Sections 4203 and 4205 of ERISA), or other pension plan (within the meaning of Section 3(2) of ERISA) that is subject to Title IV of ERISA or Section 412 or 430 of the Code and any and all such Liability shall be an Excluded Liability. The Buyer has given substantial consideration under the Agreement for the benefit of the holders of any Interest. The consideration given by the Buyer shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Buyer, which releases shall be deemed to have been given in favor of the Buyer by all holders of Interests.

31. Upon the Closing Date and except as otherwise expressly provided in the Agreement and this Order, all persons and entities are hereby forever prohibited and permanently enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other proceeding against the Buyer, its successors and assigns, or the Acquired Assets, with respect to any (i) Interest arising under, out of, in connection with or in any way relating to the Debtors, the Buyer, the Acquired Assets, the Business or the operation of the Acquired Assets or the Business prior to and including the Closing Date or (ii) successor or transferee liability, including, without limitation, the following actions: (a) commencing or continuing in any manner any action or other proceeding against the Buyer, its successors or assigns, assets, or properties, (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Buyer, its successors or assigns, assets or properties, (c) creating, perfecting, or enforcing any Interest against the Buyer, its successors or assigns, assets, or properties, (d) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Buyer or its successors or

assigns, or (e) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Order or other orders of this Court, or the agreements or actions contemplated or taken in respect of this Order and such other orders.

**Good Faith of Buyer**

32. The transactions contemplated by the Agreement are undertaken by the Buyer and the Debtors without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided in this Order to consummate the Sale shall not affect the validity of the Sale (including the assumption and assignment of the Designated Assumed Contracts), unless such authorization and consummation of such Sale are duly stayed pending such appeal.

33. Neither the Debtors nor the Buyer have engaged in any action or inaction that would cause or permit the Sale to be avoided or costs or damages to be imposed under section 363(n) of the Bankruptcy Code. The consideration provided by the Buyer for the Acquired Assets under the Agreement is fair and reasonable and the sale may not be avoided under section 363(n) of the Bankruptcy Code.

**Related Relief**

34. Upon the Closing Date, the Debtors are authorized and directed to pay, or cause to be paid, to the DIP Agent and the DIP Lenders the DIP Payoff Amount by wire transfer of immediately available funds to the bank account designated by the DIP Agent in full and final satisfaction of the Debtors' obligations under the DIP Documents (other than those obligations which by their terms survive termination thereof). For the avoidance of doubt, the Escrowed Funds shall not be available to pay off the DIP Payoff Amount, or for any other use by the Debtors, prior to the time (if any) that the Escrowed Funds, are disbursed in accordance with the terms of the Agreement, and then only to the extent actually received by the Debtors.

35. Upon the Closing Date, the Debtors are authorized and directed to pay, or cause to be paid, in the ordinary course of business, all claims arising from the sale of goods in the ordinary course of business on or after the Petition Date (to the extent not previously paid or satisfied) from the proceeds of the Sale, other than those proceeds necessary to satisfy the DIP Payoff Amount and fund the Escrowed Funds.

36. To the extent any of the Debtors' assets located in the state of Texas securing prepetition ad valorem taxes due and owing to the Carrollton-Farmers Branch Independent School District, Dallas County, and Harris County (the "Texas Tax Authorities") are sold to the Buyer, upon the Closing Date, other than those proceeds necessary to satisfy the DIP Payoff Amount and fund the Escrowed Funds, proceeds of the Sale in the amount of \$175,000 shall be set aside by the Debtors in a segregated account as adequate protection for the asserted secured claims of the Texas Tax Authorities (the "Texas Segregated Proceeds"). The liens of the Texas Tax Authorities shall attach to the Texas Segregated Proceeds to the same extent, priority, and validity as the liens they now hold against the property of the Debtors. The Texas Segregated Proceeds shall constitute adequate protection, and shall not constitute allowance of the asserted claims of the Texas Tax Authorities, nor a cap on the amounts they may be entitled to receive on account of the asserted claims. Furthermore, the asserted claims and liens of the Texas Tax Authorities shall remain subject to any objections any party would otherwise be entitled to raise or assert as to the priority, validity or extent of such liens. These funds may be distributed upon agreement between the Texas Tax Authorities and the Debtors, subject to further order of the Court, duly noticed to the Texas Tax Authorities. For the avoidance of doubt, to the extent the Closing occurs on or after January 1, 2013, all 2013 tax liens of the Texas Tax Authorities shall be Permitted Liens (as defined in the relevant credit

documents) and shall specifically be retained and attach to the proceeds, other than the proceeds necessary to satisfy the DIP Payoff Amount and fund the Escrowed Funds.

37. Nothing in this Order limits or impairs Goss International America, Inc.'s ("Goss") right to assert a claim or lien with respect to the proceeds of the equipment subject to that certain Purchase and Security Agreement dated April 22, 2010 between the Debtors and Goss. To the extent that any claims or liens asserted by Goss are valid and enforceable, Goss' rights to the proceeds of the Sale are reserved, other than those proceeds necessary to satisfy the DIP Payoff Amount and fund the Escrowed Funds. Any asserted claims and liens of Goss shall remain subject to any objections any party would otherwise be entitled to raise or assert as to the priority, validity or extent of such liens, and this language shall not constitute allowance of the asserted claims or liens of Goss.

38. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (i) these Chapter 11 Cases, (ii) any subsequent chapter 7 case into which any such Chapter 11 Case may be converted, or (iii) any related proceeding subsequent to entry of this Order, shall conflict with or derogate from the provisions of the Agreement or the terms of this Order.

39. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 6006, 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry. The Debtors are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order, and may, subject to the terms and conditions of the Agreement, and in their discretion and without further delay, close the transactions contemplated under the Agreement and take any action and perform any act authorized under this Order.

40. Buyer shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the Agreement or any other sale-related document. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the preceding sentence, provided however that this Court shall retain exclusive jurisdiction over any and all disputes with respect thereto.

41. Nothing in this Order or the Agreement releases, nullifies, precludes, or enjoins the enforcement of any liability to a governmental unit under police and regulatory statutes or regulations that any entity would be subject to as the owner or operator of property after the date of Closing.

42. Nothing in this Order or the Agreement releases, nullifies, precludes or enjoins the enforcement of any liability to a governmental unit under police and regulatory statutes or regulations that any entity would be subject to as the lessee of property after the date of entry of this Order.

43. Subject to Paragraph 41 of this Order, nothing in this Order or in the Agreement nullifies, impairs or limits any rights, remedies and entitlements under or relating to: (i) the Remediation Agreement between the New Jersey Department of Environmental Protection (the "NJDEP") and Webcraft, LLC ("Webcraft"), signed on September 28, 2007, in ISRA Case No. E20070128 ("Remediation Agreement"), for remediation of environmental contamination at the real property located at 1980 US Highway 1 in New Brunswick, New Jersey (the "Property") and owned by 1980 US Hwy 1, LLC ("1980 US"), and any letter of credit provided to NJDEP in connection with the remediation of such environmental contamination; and (ii) the Post-Closing Agreement between 1980 US and Webcraft, dated September 28, 2007, any guaranty of performance by Vertis, Inc. under that agreement, and any letter of credit

provided to 1980 US in connection with the remediation of such environmental contamination, or imposes any obligations on the Buyer under or in respect of such agreements.

44. Nothing in this Order or in the Agreement diminishes, limits or precludes or impairs any liabilities, duties or obligations of any of the Debtors, or any bankruptcy trustee(s) that may be appointed for any or all such Debtor(s), to comply with any police and regulatory statutes or regulations, including without limitation Environmental Laws (as defined in the Agreement), as debtor(s), debtor(s) in possession and/or trustee(s), as the case may be, under the Bankruptcy Code.

45. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.

46. Except as otherwise expressly provided in the Agreement, there are no brokers involved in consummating the Sale and no brokers' commissions are due. Buyer is not and will not become obligated to pay any fee or commission or like payment to any broker, finder or financial advisor as a result of the consummation of the transaction contemplated by the Agreement based upon any arrangement made by or on behalf of the Debtors.

47. Any and all claims of the Buyer against the Debtors or their estates arising under the Transition Services Agreement, including, without limitation, for any and all amounts due or that become due to the Buyer for services rendered on or after the date of this Order and for claims, obligations or damages owed to the Buyer pursuant to the Transition Services Agreement, including any claims for breach of the Transition Services Agreement, shall be afforded administrative expense status pursuant to section 503(b)(1) of the Bankruptcy Code, without the need for the Buyer to file any claim or application with, or obtain any order from, this Court, provided that the Debtors' rights to dispute any such claims are reserved, and the Court shall retain jurisdiction to adjudicate any disputes relating to such claims.

48. To the extent permitted by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Acquired Assets sold, transferred, assigned or conveyed to Buyer on account of the filing or pendency of these Chapter 11 Cases or the consummation of the Sale.

49. The Buyer shall have no obligation to proceed with Closing unless and until all conditions precedent to its obligations to do so, as set forth in the Agreement, have been met, satisfied or waived in accordance with the terms of the Agreement.

50. The failure specifically to include any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Agreement be authorized and approved in its entirety.

51. The Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof, without further order of this Court; provided, that any such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates; provided further, that in no event shall such modification, amendment, or supplement (except with respect to modifications, amendments or supplements to the Agreement that are required or expressly permitted pursuant to the terms and conditions thereof) be adverse to the lenders under the Term Loan or the ABL unless consented to by the respective administrative agent.

52. The terms and provisions of the Agreement and this Order shall be binding in all respects upon the Debtors, their respective affiliates, estates and creditors, all holders of equity interests in any of the Debtors, all holders of any Interest, all counterparties to any Designated Assumed Contract, all interested parties in the Chapter 11 Cases and their respective successors and assigns, the Buyer and its successors and assigns, and any trustees, if any, subsequently appointed in any of the Debtors' Chapter 11 Cases or upon a conversion to

chapter 7 under the Bankruptcy Code of any of the Debtors' cases. This Order and the Agreement shall inure to the benefit of the Debtors, their estates and creditors, the Buyer, and their respective successors and assigns.

53. This Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Agreement, all amendments to this Order and the Agreement, any waivers and consents under this Order and the Agreement, and each of the agreements executed in connection with this Order and the Agreement to which the Debtors are a party or which has been assigned by the Debtors to the Buyer, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Agreement, the Sale, or this Order. This Court retains jurisdiction to compel delivery of the Acquired Assets, to protect the Buyer and its assets, including the Acquired Assets, against any Interests and successor and transferee liability and to enter orders, as appropriate, pursuant to sections 105, 363 or 365 (or other applicable provisions) of the Bankruptcy Code necessary to transfer the Acquired Assets and the Designated Assumed Contracts to Buyer.

54. Each and every federal, state, and local governmental agency or department is directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and this Order.

55. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

56. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in these Chapter 11 Cases, the terms of this Order shall govern.



57. To the extent there are any inconsistencies between the terms of this Order and the Agreement (including all ancillary documents executed in connection this Order and the Agreement), the terms of this Order shall govern.

58. The provisions of this Order are nonseverable and mutually dependent.

Dated: December 6, 2012  
Wilmington, Delaware



---

THE HONORABLE CHRISTOPHER S. SONTCHI  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**Asset Purchase Agreement**

ASSET PURCHASE AGREEMENT

BY AND AMONG

VERTIS HOLDINGS, INC.,

(PARENT)

QUAD/GRAPHICS MARKETING, LLC

(BUYER)

AND

QUAD/GRAPHICS, INC.  
(GUARANTOR)

OCTOBER 10, 2012

## TABLE OF CONTENTS

	<u>Page</u>
Section 1. Definitions.....	1
Section 2. Purchase and Sale. ....	22
(a) Purchase and Sale of Acquired Assets; Retention of Excluded Assets; Assumption of Assumed Liabilities; Retention of Excluded Liabilities. ....	22
(b) Asset and Liability Adjustments. ....	22
(c) Assumption and Rejection of Contracts. ....	23
(d) Consideration. ....	25
(e) Determination of Purchase Price Adjustment. ....	26
(f) Closing. ....	29
(g) Deliveries at Closing. ....	29
(h) Non-Assignment of Assumed Contracts. ....	30
Section 3. Parent's Representations and Warranties.....	31
(a) Organization of Sellers; Good Standing. ....	31
(b) Authorization of Transaction. ....	31
(c) Noncontravention. ....	32
(d) Title to Acquired Assets; Sufficiency of Acquired Assets; Real Property. ....	32
(e) Litigation. ....	33
(f) Compliance with Law. ....	34
(g) Permits. ....	34
(h) Financial Statements. ....	34
(i) Absence of Certain Changes or Events. ....	35
(j) Environmental Matters. ....	36
(k) Material Contracts. ....	36
(l) Intellectual Property. ....	38
(m) Employee Matters; Employee Benefit Plans. ....	38
(n) Taxes. ....	41
(o) Brokers' Fees. ....	42
(p) Accounts Receivable; Inventory. ....	42
(q) Customers. ....	42
(r) Suppliers. ....	42
(s) Disclosure. ....	43
Section 4. Buyer's and Guarantor's Representations and Warranties. ....	43
(a) Organization of Buyer and Guarantor. ....	43
(b) Authorization of Transaction. ....	43
(c) Noncontravention. ....	44

	(d)	Litigation.....	44
	(e)	Brokers' Fees.....	44
	(f)	Financial Capacity.....	45
	(g)	Condition of the Business.....	45
	(h)	Adequate Assurances Regarding Executory Contracts.....	45
Section 5.		Pre-Closing Covenants.....	45
	(a)	Commercially Reasonable Efforts; Cooperation.....	45
	(b)	Notices and Consents.....	46
	(c)	Conduct of the Business Pending the Closing.....	46
	(d)	No Solicitation of Alternative Transactions until Entry of Bidding Procedures Order.....	49
	(e)	Notice of Developments.....	51
	(f)	Access.....	51
	(g)	Press Releases and Public Announcements.....	52
	(h)	Bankruptcy Court Matters.....	52
	(i)	Bulk Transfer Laws.....	53
	(j)	Cure Amounts.....	54
	(k)	Transition Real Property.....	54
	(l)	Title Commitment.....	57
	(m)	Disclosure Schedule; Supplementation and Amendment of Disclosure Schedule.....	57
	(n)	Regulatory Filings.....	58
	(o)	Casualty.....	59
	(p)	Lenders.....	60
	(q)	Employee Compensation.....	60
Section 6.		Other Covenants.....	60
	(a)	Cooperation; Further Assurances.....	60
	(b)	Litigation Support.....	61
	(c)	Availability of Records.....	61
	(d)	Satisfaction of Assumed Liabilities.....	62
	(e)	Employee Matters.....	62
	(f)	Tax Matters.....	63
	(g)	Recording of Intellectual Property Assignments.....	65
	(h)	Wage Reporting.....	65
	(i)	Accounts Receivable/Collections.....	65
Section 7.		Conditions to Obligation to Close.....	66
	(a)	Conditions to Buyer's and Guarantor's Obligations.....	66
	(b)	Conditions to Parent's Obligations.....	67
	(c)	No Frustration of Closing Conditions.....	68

Section 8.	Termination.....	68
	(a) Termination of Agreement.....	68
	(b) Procedure upon Termination.....	70
	(c) Expense Reimbursement and Break-Up Fee. ....	70
	(d) Effect of Termination.....	71
Section 9.	Limitations.....	71
	(a) No Reliance.....	71
	(b) Limited Duties. ....	72
	(c) LIMITATION OF REPRESENTATIONS AND WARRANTIES.....	72
	(d) No Successor Liability.....	73
Section 10.	Miscellaneous. ....	73
	(a) Confidentiality. ....	73
	(b) Expenses. ....	74
	(c) Entire Agreement. ....	74
	(d) Incorporation of Schedules and Exhibits. ....	74
	(e) Amendments and Waivers. ....	74
	(f) Succession and Assignment.....	74
	(g) Notices. ....	75
	(h) Governing Law; Jurisdiction.....	75
	(i) Consent to Service of Process.....	76
	(j) WAIVERS OF JURY TRIAL. ....	76
	(k) Specific Performance.....	76
	(l) Severability. ....	77
	(m) Survival.....	77
	(n) No Third Party Beneficiaries. ....	77
	(o) Construction.....	77
	(p) Computation of Time.....	77
	(q) Mutual Drafting. ....	78
	(r) Headings; Table of Contents.....	78
	(s) Counterparts; Facsimile or Email Signatures. ....	78
	(t) No Right of Set-Off. ....	78
	(u) Non-Disparagement.....	78
	(v) Time of Essence.....	78
	(w) Remedies.....	78
	(x) Guaranty.....	80

## **EXHIBITS**

- Exhibit A - Form of Bidding Procedures Order
- Exhibit B - Form of Sale Order
- Exhibit C - Form of Escrow Agreement
- Exhibit D - Form of Bill of Sale
- Exhibit E - Form of Assignment and Assumption Agreement
- Exhibit F - Form of Intellectual Property Assignment

## **ANNEX**

- Annex A - Selling Affiliates
- Annex B - Assumed Contracts
- Annex C - Policies and Procedures
- Annex D - Post-Sale Hearing Contracts

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT is entered into as of October 10, 2012 (the "Agreement Date"), by and among Vertis Holdings, Inc., a corporation formed under the laws of the State of Delaware ("Parent"), Quad/Graphics Marketing, LLC, a Wisconsin limited liability company (the "Buyer") and Quad/Graphics, Inc., a Wisconsin corporation ("Guarantor"). Each of Parent, Buyer and Guarantor are referred to herein individually as a "Party" and collectively as the "Parties." Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in Section 1.

WHEREAS, Parent and its wholly-owned Subsidiaries set forth on Annex A hereto (the "Selling Affiliates", and together with Parent, "Sellers", and each, a "Seller") have historically engaged in the business of providing pre-press, printing, post-press, distribution, marketing, creative and digital services and products, including targeted advertising and marketing solutions, to retailers, consumer services businesses and other persons, as well as any businesses incidental thereto, but excluding the discontinued packaging business (the "Business");

WHEREAS, promptly following the Agreement Date, Sellers intend to commence (such date, the "Commencement Date") voluntary cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, Sellers wish to sell to Buyer, and Buyer wishes to purchase from Sellers, substantially all of the business and assets of Sellers as of the Closing on the terms and subject to the conditions set forth herein, and, in furtherance of the foregoing, (i) Parent wishes to, and wishes to cause each Selling Affiliate to, sell to Buyer, and Buyer wishes to purchase from Sellers, the Acquired Assets, and (ii) Buyer wishes to assume from Sellers the Assumed Liabilities, and in the case of clauses (i) and (ii) above, on the terms and subject to the conditions set forth herein; and

WHEREAS, Buyer is a wholly-owned Subsidiary of Guarantor, and Guarantor wishes to irrevocably and unconditionally guarantee and covenant to Sellers to pay and perform all obligations of Buyer under this Agreement not otherwise paid or performed by Buyer on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises hereof, and the representations, warranties and covenants herein contained, the Parties agree as follows:

### Section 1. Definitions.

"ABL" means the Senior Secured Credit Agreement, dated as of December 20, 2010, by and among Parent, Vertis, Inc., the other credit parties thereto, General Electric Capital



Corporation, as Agent and the lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time).

“ABL Required Lenders” means the Requisite Lenders as defined in the ABL.

“Accounts Receivable” means all accounts receivable and notes receivable related to the Business outstanding on the Closing Date.

“Accrued Employee Obligations” means all Liabilities of the Business for payroll (including commissions), vacation and sick leave, and in respect of the Assumed Benefit Plans (but only to the extent provided in Section 6(c)(iv)), in each case only to the extent accrued in respect of the Transferred Employees.

“Acquired Assets” means all of Sellers’ right, title and interest in and to all of Sellers’ Assets existing as of the Closing Date, other than the Excluded Assets, including the following: (a) all Inventory; (b) all Accounts Receivable; (c) all Furnishings and Equipment; (d) all Records, including all Tax Returns and Records relating to Property Taxes and excluding any Tax Returns and Records relating to income or similar Taxes; provided that Sellers shall have the right to make copies of any such Tax Returns and Records; (e) all Acquired Intellectual Property; (f) all Assumed Contracts; (g) all of Sellers’ interest in real property consisting of (i) Sellers’ fee interests in the Acquired Owned Property, (ii) all of Sellers’ interest under its real property leases with respect to the Acquired Leased Property, and (iii) all interests of Sellers in and to any buildings, structures, improvements and fixtures on such real property, and also any easements, covenants and other rights appurtenant to such real property (together with the Acquired Owned Property and the Acquired Leased Property, the “Acquired Real Property”); (h) all claims of Sellers against third parties relating to the Acquired Assets and Assumed Liabilities, whether choate or inchoate, known or unknown, contingent or noncontingent (other than any Retained Claims); (i) all Assumed Permits to the extent such Assumed Permits are assignable; (j) all insurance policies and binders set forth on Schedule 1.1(j) of the Disclosure Schedule and all claims, refunds and credits from such policies or binders due or to become due with respect to such policies; (k) all rights (including rights of set-off and rights of recoupment), refunds, claims, counterclaims, demands, causes of action and rights to collect damages against third parties with respect to Acquired Assets and Acquired Liabilities (other than any Retained Claims); (l) all deposits and prepaid expenses of Sellers with respect to the Business and the Acquired Assets, other than any deposits of Cash in any Sellers’ bank accounts, fee deposits or prepaid fees of any professional advisor of any Seller; (m) all Assumed Benefit Plans, including all assets, trusts, insurance policies and funding media held or maintained by any Assumed Benefit Plan; (n) all of Sellers’ avoidance claims or causes of action (including all rights and avoidance claims of Sellers arising under chapter 5 of the Bankruptcy Code or applicable state Law) against parties to Assumed Contracts, to the extent arising under or relating to any Assumed Contract; (o) all other Current Assets; (p) any Assets of any Subsidiary of any Seller that is not otherwise a Selling Affiliate that are used in the Business; and (q) such other Assets identified on Schedule 1.1(q) as such schedule may be supplemented or amended by Buyer following the date hereof pursuant to the terms and conditions of Section 2(b).

“Acquired Intellectual Property” means all rights, title and interests of Sellers to Intellectual Property and Intellectual Property Licenses (except to the extent that any of the

foregoing relate exclusively to the Excluded Assets, provided, however, that as of the Agreement Date none of the foregoing relate exclusively to the Excluded Assets such that there is no Intellectual Property of the Sellers that is an Excluded Asset as of the Agreement Date), including the Intellectual Property and Intellectual Property Licenses set forth on Schedule 1.2 of the Disclosure Schedule.

“Acquired Leased Property” means the Leased Real Property not otherwise set forth on Schedule 1.7(b) of the Disclosure Schedule or Schedule 1.8 of the Disclosure Schedule.

“Acquired Owned Property” means all Owned Real Property not otherwise set forth on Schedule 1.7(a) of the Disclosure Schedule or Schedule 1.8 of the Disclosure Schedule.

“Acquired Real Property” has the meaning set forth in the definition of Acquired Assets.

“Affiliate” when used with reference to another Person means any Person, directly or indirectly, through one or more intermediaries, Controlling, Controlled by, or under common Control with, such other Person.

“Allocation Laws” has the meaning set forth in Section 6(f)(v).

“Allocation Schedule” has the meaning set forth in Section 6(f)(v).

“Alternative Transaction” has the meaning set forth in Section 5(d)(i).

“Agreement” means this Asset Purchase Agreement, together with the exhibits, attachments and the Disclosure Schedule, in each case as amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, and with the consent of the Required Lenders (except with respect to amendments to the Disclosure Schedules that are required or expressly permitted pursuant to the terms and conditions hereof, which shall not require the consent of the Required Lenders):

“Agreement Date” has the meaning set forth in the preamble.

“Antitrust Division” has the meaning set forth in Section 5(n)(i).

“Antitrust Laws” means, collectively, the HSR Act, the Sherman Antitrust Act of 1890, as amended, the Clayton Antitrust Act of 1914, as amended, the Federal Trade Commission Act, as amended, and any other United States federal or state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

“Assets” means all assets, properties and rights of every nature, kind and description, whether tangible or intangible (including goodwill), real, personal or mixed, accrued, contingent or otherwise, wherever located and whether or not carried or reflected on the books and records of the applicable Person.

"Assignment and Assumption Agreement" has the meaning set forth in Section 2(g)(i)(B).

"Assisting Party" has the meaning set forth in Section 6(b).

"Assumed Benefit Plans" means the Employee Benefit Plans set forth on Schedule 1.3 of the Disclosure Schedule or Schedule 1.1(q) of the Disclosure Schedule, provided, however, that Schedule 1.3 of the Disclosure Schedule and Schedule 1.1(q) of the Disclosure Schedule shall only include Employee Benefit Plans with respect to which Buyer has assumed both the underlying assets and liabilities of such Employee Benefit Plan (but, with respect to the assumption of liabilities, only to the extent provided in Section 6(e)(iv)) and Schedule 1.3 of the Disclosure Schedule and Schedule 1.1(q) of the Disclosure Schedule shall not include any Employee Benefit Plan with respect to which Buyer is not permitted by applicable Law or the Bankruptcy Court to assume both the underlying assets and liabilities.

"Assumed Contracts" means all Contracts set forth on Annex B and designated by Buyer, as shall be prepared and may be modified until the date which is five (5) Business Days prior to the Closing pursuant to Section 2(c) hereof, and such additional Contracts as may be designated as Assumed Contracts by Buyer in accordance with the terms and conditions of Section 2(c), which will be assumed by Sellers and assigned to Buyer pursuant to section 365 of the Bankruptcy Code in connection with the transactions contemplated in this Agreement.

"Assumed Liabilities" means, with respect to each Seller, only the following Liabilities (except to the extent that any such Liabilities are included in the Buyer Payable Cure Cap paid by Buyer pursuant to Section 2(g)(ii)(F)(2), in which case such Liabilities shall not be Assumed Liabilities): (a) all Liabilities relating to Buyer's ownership or operation of the Business or Acquired Assets that arise from events, facts or circumstances that occur after the Closing; (b) all Current Liabilities; (c) all Liabilities to the extent incurred after the Closing under the Assumed Contracts or the Assumed Permits; (d) all Liabilities relating to or arising out of Buyer's use and occupation of Acquired Real Property, to the extent such Liabilities arise from Buyer's occupation of the Acquired Real Property or ownership or operation of the Business, in each case only after the Closing; (e) all Liabilities for Taxes with respect to the Business or the Acquired Assets for any Post-Closing Tax Period and any Straddle Period (to the extent such Taxes are allocated to Buyer pursuant to Section 6(f)(iv)); (f) one-half of all Liabilities for Transfer Taxes pursuant to Section 6(f)(i); (g) all Liabilities arising following the Closing under the Assumed Benefit Plans (to the extent assumed pursuant to Section 6(e)(iv)) and all Accrued Employee Obligations; (h) all Liabilities relating to or arising out of any claim or threatened claim against any Seller relating to the operation of the Business or the ownership of the Acquired Assets from and after the Closing; (i) all Liabilities for the Buyer Payable Cure Amounts up to the Buyer Payable Cure Cap, to the extent not paid by Buyer pursuant to Section 2(g)(ii)(F)(2); (j) all other Liabilities with respect to the Acquired Assets that arise from events, facts or circumstances that occur after the Closing; (k) all Liabilities of the Business relating to amounts required to be paid by Buyer hereunder or under any Related Agreement; and (l) such other Liabilities identified on Schedule 1.4 as such schedule may be supplemented or amended by Buyer following the date hereof pursuant to the terms and conditions of Section 2(b); provided, however, that, notwithstanding the above, the Assumed Liabilities shall not include any Excluded Liabilities.

“Assumed Permits” means all Permits relating to the Business.

“Auction” has the meaning ascribed to it in the Bidding Procedures.

“Audited Financial Statements” has the meaning set forth in Section 3(h)(i).

“Back-Up Bidder” has the meaning set forth in Section 5(d)(ii).

“Balance Sheet Date” means June 30, 2012.

“Bankruptcy Code” has the meaning set forth in the recitals.

“Bankruptcy Court” has the meaning set forth in the recitals.

“Bankruptcy Rules” means, as amended, the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under Section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Chapter 11 Cases, and the general, local and chambers rules of the Bankruptcy Court, as may be modified by orders of the Bankruptcy Court.

“Bidding Procedures” means the bidding procedures approved by the Bankruptcy Court pursuant to the Bidding Procedures Order, substantially in the form attached hereto as an exhibit to the Bidding Procedures Order and incorporated by reference therein, and otherwise in form and substance acceptable to Buyer, Parent and the Required Lenders.

“Bidding Procedures Order” means an order of the Bankruptcy Court substantially in the form attached hereto as Exhibit A and otherwise in form and substance acceptable to Buyer, Parent and the Required Lenders (i) approving the Bidding Procedures, (ii) approving the Expense Reimbursement and Break-Up Fee as provided for in Sections 5(d) and 8(c) hereof and (iii) establishing, among other things, a date by which Competing Bids must be submitted by bidders and procedures for an auction process.

“Bill of Sale” has the meaning set forth in Section 2(g)(i)(A).

“Break-Up Fee” means Eight Million Dollars (\$8,000,000).

“Budget” means the budget annexed to, and/or provided for under, the DIP Order.

“Business” has the meaning set forth in the recitals.

“Business Day” means any day other than a Saturday, a Sunday or a day on which banks located in New York, New York shall be authorized or required by law to close. Any event the scheduled occurrence of which would fall on a day that is not a Business Day shall be deferred until the next succeeding Business Day.

“Buyer” has the meaning set forth in the preamble.

"Buyer Payable Cure Amount" shall mean, with respect to each Assumed Contract, an amount equal to the sum of, (i) the Pre-Petition Cure Amount, plus (ii) the Post-Petition Cure Amount.

"Buyer Payable Cure Cap" means an aggregate amount equal to the sum of (i) the lesser of (x) One Million Dollars (\$1,000,000) and (y) the sum of the Pre-Petition Cure Amounts for all Assumed Contracts, plus (ii) the sum of the Post-Petition Cure Amounts for all Assumed Contracts.

"Buyer Plan" means each employee benefit plan of Buyer or an Affiliate of Buyer in which any Transferred Employee becomes eligible to participate.

"Buyer's Proposed Calculations" has the meaning set forth in Section 2(e)(i).

"Cash" means all cash (including checks received prior to the close of business on the Closing Date, whether or not deposited or cleared prior to the close of business on the Closing Date), certificates of deposit and other bank deposits, investment accounts, securities accounts and lock boxes related thereto, treasury bills and other cash equivalents and marketable securities.

"Cash Management Order" means an order of the Bankruptcy Court, in form and substance acceptable to Parent and the Required Lenders, that, among other things, authorizes Sellers to continue to operate the existing cash management system and perform under certain intercompany arrangements and historical practices.

"Casualty" has the meaning set forth in Section 5(o).

"Chancery Court" has the meaning set forth in Section 10(h).

"Chapter 11 Cases" has the meaning set forth in the recitals.

"Claim" has the meaning set forth in Section 101(5) of the Bankruptcy Code, whether such claim arose, was incurred or accrued before or after the Commencement Date.

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

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

"Closing Statement" has the meaning set forth in Section 2(e)(i).

"Closing Working Capital" means, in respect of the Business, Current Assets minus Current Liabilities, in each case as determined in accordance with GAAP as of 11:59 p.m. on the Business Day immediately prior to the Closing Date. The actual value of the Current Assets and Current Liabilities shall be determined in accordance with GAAP and in accordance with the policies and procedures set forth on Annex C as of 11:59 p.m. on the Business Day immediately prior to the Closing Date. For the avoidance of doubt, an example of the calculation of Closing Working Capital as of June 30, 2012 using the methodology described in the preceding sentences is set forth on Annex C.

“COBRA” means the continuation coverage provisions of the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or any similar provisions of Law.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Commencement Date” has the meaning set forth in the recitals.

“Commercial Tort Claims” has the meaning set forth in Section 9-102 of the Uniform Commercial Code as in effect in the State of New York.

“Competing Bid” has the meaning ascribed to it in the Bidding Procedures.

“Confidentiality Agreement” means the letter agreement, dated April 19, 2012, by and between Parent and Guarantor regarding the terms and conditions on which Parent would make available certain information.

“Contract” means any written or oral agreement, contract, lease, sublease, indenture, mortgage, instrument, guaranty, loan or credit agreement, note, bond, customer order, purchase order, supply agreement, service agreement, software license agreement or other license agreement, software maintenance agreement, development agreement, joint venture agreement, promotion agreement, customer contract, sales order or other customer agreement, partnership agreement or other arrangement, understanding, permission or commitment.

“Control” means, when used with reference to any Person, the possession of the power to direct the management or policies of such Person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to, or in connection with, any Contract; and the terms “Controlling” and “Controlled” shall have meanings correlative to the foregoing.

“Covered Employee” means any officer or employee of any Seller or any of their respective Affiliates whose duties relate primarily to the operation of the Business.

“Cure Amounts” has the meaning set forth in Section 5(i).

“Current Assets” means the Assets of the Business that would be appropriately classified as current assets on a balance sheet of the Business as of the Closing Date that is prepared in accordance with GAAP, subject to and on accordance with Annex C, but excluding (a) Cash, (b) prepaid insurance, (c) deferred Tax Assets, (d) current assets related to intercompany accounts, and (e) any Excluded Assets. Notwithstanding the foregoing, in no event shall any of the Accounts Receivable or Inventory be excluded from the definition of Current Assets, regardless of whether Buyer elects to exercise its rights pursuant to Section 2(b) to deem any Asset of any Seller identified on Schedule 1.1(g) of the Disclosure Schedule or Schedule 1.8 of the Disclosure Schedule, as applicable, an Acquired Asset or Excluded Asset.

“Current Liabilities” means the Liabilities arising from and after the Commencement Date that remain accrued and unpaid as of 11:59 p.m. on the Business Day immediately prior to the Closing Date, and that would be appropriately classified as current liabilities on a balance sheet of the Business as of the Closing Date that is prepared in accordance

with GAAP, subject to and in accordance with Annex C, but excluding, for the avoidance of doubt, (a) all accounts payable of the Business, other than Media Related Payables, (b) any indebtedness for borrowed money, (c) all bank overdrafts, other than Media Related Bank Overdrafts, (d) any Liabilities under or relating to the Employee Benefit Plans (other than the Accrued Employee Obligations), including any SERP Liabilities and any pension and deferred compensation Liabilities, (e) accrued amounts for restructuring and the Chapter 11 Cases, (f) accrued interest, (g) accrued income Taxes, (h) Liabilities held for sale, (i) accrued bank fees, (j) current Liabilities related to intercompany accounts (k) any Liability identified on Schedule 1.9 of the Disclosure Schedule as of the Closing Date, and (l) any Liability which would constitute an Excluded Liability pursuant to clauses (a) through (n) of the definition of "Excluded Liabilities" regardless of whether such Liability was incurred on or prior to the Commencement Date. Notwithstanding the foregoing, any amount paid by Buyer to Parent pursuant to Section 2(g)(ii)(F)(2) as part of the Buyer Payable Cure Cap shall be included as a Current Liability for purposes of determining Closing Working Capital (other than Cure Amounts related to any supplier Contracts of the Business, except to the extent previously included in the calculation of the Target Working Capital), notwithstanding any of the exceptions included in clauses (a) through (l) above. For the avoidance of doubt, any Cure Amount that is in excess of the Buyer Payable Cure Cap and that any Seller is obligated to pay pursuant to Section 2(c)(i) and Section 5(j) with respect to any Liability under any Assumed Contract shall be excluded from the definition of Current Liabilities for purposes of determining Closing Working Capital.

"Customer Work" means orders, contracts or commitments for, or purchase of, the products, goods and services of the Business.

"D&O Insurance Policies" means all of Sellers' insurance policies providing coverage for current and former directors and officers of Sellers.

"Decree" means any judgment, decree, ruling, injunction, assessment, attachment, undertaking, award, charge, writ, executive order, administrative order or any other order of any Governmental Entity.

"Deposit" has the meaning set forth in Section 2(d)(iii).

"DIP Facility" means that certain \$150,000,000 Debtor in Possession Senior Secured Superpriority Priming Financing Facility dated as of the Agreement Date, among Sellers and the DIP Lenders, as may be amended, modified, ratified, extended, renewed, restated or replaced from time to time in accordance with its terms.

"DIP Lenders" means General Electric Capital Corporation and the banks, financial institutions and other lender parties to the DIP Facility from time to time.

"DIP Order" means the interim or final order, as applicable, approving the DIP Facility.

"Disclosure Schedule" has the meaning set forth in Section 3.

"Disputed Amounts" has the meaning set forth in Section 2(c)(iii).

"Drop Dead Date" means 180 days after the Agreement Date, provided, however, in the event that all conditions to Closing set forth in Section 7 (other than the conditions set forth in Section 7(a)(vii) and Section 7(b)(vi)) have been or are reasonably capable of being satisfied as of such date, such date shall be automatically extended for 90 days, following which time any additional extensions shall be subject to the mutual consent of Buyer and Parent; provided, further, however, in the event that Buyer shall be the Back-Up Bidder pursuant to Section 5(d)(ii) and the Successful Bidder shall fail to consummate the applicable Alternative Transaction, and Buyer is thereupon deemed to have the new prevailing bid, then Buyer shall have the sole option to extend the Drop Dead Date for an additional 90 days to accommodate Buyer's ability to close the transactions contemplated by this Agreement as the Back-Up Bidder, by delivering written notice to Parent within two (2) Business Days after being deemed to have the new prevailing bid.

"Employee Benefit Plan" means each "employee benefit plan" as defined in Section 3(3) of ERISA and each other plan, policy, program, agreement, understanding and arrangement (whether written or oral) providing compensation or other benefits to any current or former director, officer, employee or consultant (or to any dependent or beneficiary thereof) of any Seller or their Affiliates or ERISA Affiliates which is now or has been maintained, sponsored or contributed to by Sellers or their Affiliates or ERISA Affiliates or under the terms of which Sellers or their Affiliates or ERISA Affiliates have or are reasonably likely to have any Liability, including all employment, consulting, severance, termination, incentive, bonus, deferred compensation, retirement, SERP, pension, savings, profit sharing, retention, change in control, vacation, holiday, cafeteria, medical, disability, life, accident, fringe benefit, health, welfare, stock-based and other compensation and benefit plans, policies, programs, agreements, understandings or arrangements.

"Environmental Claim" means any Litigation arising under or relating to Environmental Law, including any such matter relating to (a) any actual, alleged or suspected failure to comply with any Environmental Law or to possess or comply with any Permit issued pursuant to any Environmental Law, (b) any actual, alleged or suspected presence, Release or threatened Release of or exposure to any Hazardous Substance at any location, including any requirement or obligation to investigate, clean up or remediate any property or condition, or (c) any actual or alleged contractual or other obligations arising under or relating to Environmental Laws.

"Environmental Law" means any Law that relates to, or otherwise imposes liability or standards of conduct concerning, pollution, protection of the environment, or protection of human or occupational health from environmental hazards, including those concerning Releases or threatened Releases of, Hazardous Substances.

"Equivalent Customer Work" means any modification or increase to, or any new, Customer Work that would be reasonably expected to result in (a) VAR in excess of \$250,000 in the 12 months following the applicable start date of such Customer Work, and (b) weighted average contribution margins that are reasonably equivalent or superior to the weighted average contribution margins resulting from Material Customer Work included in the definition of VAR Losses, subject to commercially reasonable adjustments taking into account prevailing market conditions.



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

"ERISA Affiliate" means any entity that is, or at any relevant time was, a member of: (a) a "controlled group of corporations", as defined in Section 414(b) of the Code; (b) a group of entities under "common control", as defined in Section 414(c) of the Code; or (c) an "affiliated service group", as defined in Section 414(m) of the Code, or treasury regulations promulgated under Section 414(o) of the Code, any of which includes Sellers.

"Escrow Agent" has the meaning set forth in Section 2(d)(iii).

"Escrow Agreement" has the meaning set forth in Section 2(d)(iii).

"Estimated Closing Statement" has the meaning set forth in Section 2(d)(i).

"Estimated Closing Working Capital" has the meaning set forth in Section 2(d)(i).

"Estimated Working Capital Adjustment" means the amount, if any (which may be expressed as a negative number), equal to Estimated Closing Working Capital less Target Working Capital.

"Excluded Assets" means, and are limited to: (a) all of Sellers' or any of their respective Affiliates' certificates of incorporation and other organizational documents, qualifications to conduct business as a foreign entity, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, stock certificates and other documents relating to the organization, maintenance and existence of any Seller or any of its Affiliates as a corporation, limited partnership or other entity; (b) all Tax Returns and Records related to Taxes paid or payable by any Seller or any of its Affiliates (other than Tax Returns and Records specifically included in item (d) of the definition of Acquired Assets); (c) all Records related to any Subsidiary of Sellers; provided that Buyer shall have the right to make copies of any such Records to the extent such Records are used in connection with the Business; (d) all Tax Assets with respect to the Business or the Acquired Assets for a Pre-Closing Tax Period, including any rights to income Tax refunds, overpayments or income Tax credits; (e) all equity securities of any Seller or any Subsidiaries of any Seller; (f) all Cash (including, for the avoidance of doubt, the Sellers' interest, subject to the terms and conditions of this Agreement, in the Deposit, the Working Capital Escrow Deposit, the Transfer Tax Escrow, the Initial Purchase Price and any Purchase Price Adjustment) of the Business; (g) all rights under any Contract that is not an Assumed Contract; (h) all rights (including rights of set-off and rights of recoupment (including any such item relating to the payment of Taxes)), refunds, claims, counterclaims, demands, causes of action and rights to collect damages of any Seller or any of its Affiliates against third parties with respect to Excluded Assets and Excluded Liabilities; (i) all avoidance claims or causes of action arising under the Bankruptcy Code or applicable state Law (including all rights and avoidance claims of Sellers arising under chapter 5 of the Bankruptcy Code), provided all of Sellers' avoidance claims or causes of action (including all rights and avoidance claims of Sellers arising under chapter 5 of the Bankruptcy Code or applicable state Law) against parties to Assumed Contracts, to the extent arising under or relating to any Assumed Contract, shall be included in

the Acquired Assets; (j) any Records and agreements related to the Chapter 11 Cases other than Records and agreements contained in subsection (d) of the definition of Acquired Assets; (k) any (i) confidential medical records pertaining to any Covered Employees, except for Records with respect to Transferred Employees related to Assumed Benefit Plans, and (ii) other Records that Sellers are required by Law to retain; provided that Buyer shall have the right to make copies of any portions of such Records pursuant to clause (i) or (ii) above to the extent that such portions relate either to the Business or any Acquired Asset and are necessary for Buyer to comply with applicable Law; (l) the Employee Benefit Plans and all Assets, trusts, insurance policies, and funding media held or maintained pursuant to, or in connection with, the Employee Benefit Plans (other than the Assumed Benefit Plans and all Assets, trusts, insurance policies, and funding media held or maintained pursuant to, or in connection with, the Assumed Benefit Plans); (m) all of Sellers' rights under this Agreement and any Related Agreement; (n) all of Sellers' rights under or pursuant to all warranties (expressed or implied), representations and guarantees made by third parties to the extent relating to (i) any Excluded Assets or (ii) any Excluded Liabilities; (o) subject to Section 2(h), all of Sellers' rights to the Acquired Assets and Assumed Permits to the extent such rights are not assignable; (p) all Records relating to the Property and Casualty Insurance Policies for any Real Property that is not Acquired Real Property and D&O Insurance Policies; (q) all Property and Casualty Insurance Policies for any Real Property that is not Acquired Real Property and D&O Insurance Policies (including those set forth on Schedule 1.5 of the Disclosure Schedule) and all claims, refunds and credits from such policies due or to become due with respect to such policies; (r) all rights, claims and causes of action of any Seller or any of its Affiliates, including all Commercial Tort Claims related to the Excluded Assets or Excluded Liabilities; (s) current assets related to intercompany accounts; (t) prepaid insurance; (u) the Claims set forth on Schedule 1.6 of the Disclosure Schedule (the "Retained Claims"); (v) subject to Section 5(k) and the Transition Services Agreement, all of Sellers' interest in certain real property consisting of (i) Sellers' fee interests in the owned real properties as set forth on Schedule 1.7(a) of the Disclosure Schedule, (ii) all of Sellers' interest under the real property leases as set forth on Schedule 1.7(b) of the Disclosure Schedule, and (iii) all interests of Sellers in and to any buildings, structures, improvements and fixtures on such real property, and also any easements, covenants and other rights appurtenant to such real property; (w) all professional fee retainers and post-Commencement Date utility deposits; and (x) such other Assets identified on Schedule 1.8 of the Disclosure Schedule as such schedule may be supplemented or amended by Buyer following the Agreement Date pursuant to the terms and conditions of Section 2(b). For the avoidance of doubt, any Asset that is added to Schedule 1.1(q) shall automatically, to the extent applicable and necessary, be removed from the definition of Excluded Assets.

"Excluded Facts" means, (i) the identity of the Buyer or its Affiliates, (ii) the concentration of any First Tier Material Customer's or Second Tier Material Customer's print work that may result from the transactions contemplated hereby, or (iii) national or international political or social conditions, including the engagement by the United States of America in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States of America or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States of America.

"Excluded Liabilities" means any and all Liabilities of any of Sellers that are not Assumed Liabilities. In furtherance, and not in limitation of the foregoing, the Excluded Liabilities include the following Liabilities of any of Sellers: (a) indebtedness for borrowed money; (b) all Liabilities, other than Liabilities arising following the Closing under the Assumed Benefit Plans (but only to the extent assumed pursuant to Section 6(e)(iv)) and Accrued Employee Obligations, at any time relating to or arising under or in connection with any Employee Benefit Plan, including any other severance, retention, employment, change-of-control, pension, incentive, retirement, equity or other compensation or benefit plan, program, policy or agreement of or with any Seller; (c) all Liabilities relating to each and any Person's employment with (or provision of services to) the Sellers or any of their Affiliates, including wages, remuneration, compensation, benefits, severance, vacation, other paid-time-off or other employee related benefits or obligations, that are not Accrued Employee Obligations; (d) all Liabilities under any collective bargaining Laws; (e) all Liabilities arising under or relating to COBRA or the WARN Act, (f) all Liabilities relating to workers compensation obligations or arrangements, (g) all Liabilities related to or arising in connection with any plant closing (including, without limitation, Liabilities relating to the funding of (or contributions to) Employee Benefits Plans and any Liabilities relating to a "complete withdrawal" or a "partial withdrawal" (as respectively defined in Sections 4203 and 4205 of ERISA) from any Multiemployer Plan (as defined below); (h) all Liabilities arising out of or related to the Excluded Assets, including Contracts that are not Assumed Contracts and, except as otherwise provided in Section 5(k), including the Transition Leased Property and Transition Real Property; (i) all Liabilities for Taxes with respect to the Business or the Acquired Assets for any Pre-Closing Tax Period and any Straddle Period (to the extent such Taxes are allocated to Sellers pursuant to Section 6(f)(iv)); (j) Liabilities arising prior to the Commencement Date that are subject to compromise under the Bankruptcy Code and any other Liability in respect of any Claim in the Chapter 11 Cases; (k) all Liabilities associated with brokers, finders or other consultants or advisors to Sellers entitled to a fee or reimbursement of expenses with respect to this transaction; (l) any Liability relating to any Litigation arising out of or related to any occurrence or event that happened prior to the Closing Date, notwithstanding the date that any such Litigation is commenced; (m) all Liabilities relating to the Sellers' ownership or operation of the Business or Acquired Assets that arise from events, facts or circumstances that occurred prior to the Closing, except to the extent expressly identified as an Assumed Liability; (n) all Liabilities for which outstanding checks and wire transfers have been mailed, transmitted or otherwise delivered with respect to the Business but that have not cleared the bank or other accounts of the Business as of the Closing; (o) Liabilities related to any Cure Amount that is in excess of the Buyer Payable Cure Cap and that any Seller is obligated to pay pursuant to Section 2(c)(i) and Section 5(j); and (p) such other Liabilities identified on Schedule 1.9 as such schedule may be supplemented or amended by Buyer following the Agreement Date pursuant to the terms and conditions of Section 2(b). For the avoidance of doubt, any Liability that is added to Schedule 1.4 shall automatically, to the extent applicable and necessary, be removed from the definition of Excluded Liabilities. For the avoidance of doubt, and notwithstanding the fact that consummation of the transactions contemplated by this Agreement may result in a complete or partial withdrawal from one or more multiemployer plans (within the meaning of Section 3(37) of ERISA) with respect to which any Seller or any ERISA Affiliate makes or has made contributions, or has or may have any Liability (each, a "Multiemployer Plan"), Buyer is not assuming, and shall have no Liability for, any such withdrawal Liability (or any other Liability

with respect to any Multiemployer Plan, including Liability for a partial or full withdrawal by any Seller or any ERISA Affiliate from any Multiemployer Plan prior to the occurrence of the transactions contemplated by this Agreement) and any and all such Liability shall be an Excluded Liability. Further, for the avoidance of doubt, (a) Buyer is not assuming, and shall have no Liability for, any Liabilities arising under or relating to COBRA with respect to any Employee Benefit Plan and any and all such Liability shall be an Excluded Liability and (b) Buyer is not assuming, and shall have no Liability for, any Liabilities arising under or relating to any pension plan (within the meaning of Section 3(2) of ERISA) that is subject to Title IV of ERISA or Section 412 or 430 of the Code and any and all such Liability shall be an Excluded Liability. For purposes of the preceding two sentences and clauses (e) and (g) of the third preceding sentence, references to Liabilities shall be deemed to include Liabilities of ERISA Affiliates.

"Expense Reimbursement" means the payment of Buyer's Reimbursable Expenses, subject to the terms of Section 5(d) and Section 8(c) and the Bidding Procedures Order.

"Extraordinary Provisions" means provisions that provide for deferred rebates, signing bonuses, deferred price discounts, deferred capital expenditure requirements, pricing concessions or general pricing deviations that, in each case, are either material or otherwise outside of the Ordinary Course of Business.

"Final Order" means an order of the Bankruptcy Court or other court of competent jurisdiction, in form and substance acceptable to Sellers, Buyer and the Required Lenders, that has not been reversed, vacated, modified or amended, is not stayed and remains in full force and effect and is not subject to appeal, petition for certiorari or other proceeding for review or rehearing, and any time therefor has expired.

"Final Purchase Price" means an amount equal to the sum of (a) Two Hundred Fifty-Eight Million Five Hundred Thousand dollars (\$258,500,000), and (b) the amount of the Working Capital Adjustment (which may be a negative number), if any, provided that the Working Capital Adjustment shall only be included in the calculation of the Final Purchase Price if the absolute value of the Working Capital Adjustment exceeds One Million Dollars (\$1,000,000).

"Financial Statements" has the meaning set forth in Section 3(h)(i).

"First Tier Material Customers" means the top 50 customers of the Business in terms of total LTM VAR (where the date of determination for such LTM VAR is the Agreement Date).

"FTC" has the meaning set forth in Section 5(n)(i).

"Furnishings and Equipment" means all tangible personal property (other than Inventory and Intellectual Property), including machinery, equipment, computers, furniture, automobiles, trucks, railcars, tractors and trailers.

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

"Governmental Entity" means any United States federal, state, or local or non-United States governmental or regulatory authority, agency, commission, court, body or other governmental entity, including the Bankruptcy Court.

"Guarantied Obligations" has the meaning set forth in Section 10(x)(i).

"Guarantor" has the meaning set forth in the preamble.

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

"Hazardous Substances" means any substances, including any and all substances, (whether solid, liquid or gas) defined, listed or otherwise classified as pollutants, contaminants, hazardous wastes, hazardous substances, chemical substances, substances of very high concern, toxic substances, toxic materials, hazardous materials, extremely hazardous wastes or under any present Environmental Laws.

"Improvements" means the buildings, structures, improvements and fixtures on the Real Property.

"Independent Accountant" means Ernst & Young or such other independent accountant reasonably acceptable to the Parties.

"Initial Purchase Price" means an amount equal to the sum of (a) Two Hundred Fifty-Eight Million Five Hundred Thousand dollars (\$258,500,000) and (b) the amount of the Estimated Working Capital Adjustment (which may be a negative number), if any, provided that the Estimated Working Capital Adjustment shall only be included in the calculation of the Initial Purchase Price if the absolute value of the Estimated Working Capital Adjustment exceeds One Million Dollars (\$1,000,000).

"Intellectual Property" means all (i) trademarks, copyrights, patents, service marks, trade names, logos and other designations, including all applications and registrations therefor and renewals thereof, and (ii) all computer programs and other computer software (other than off-the-shelf shrink wrapped software), trade secrets, plans and specifications, inventions, know-how, technology, proprietary processes and formulae.

"Intellectual Property Assignment" has the meaning set forth in Section 2(g)(i)(C).

"Intellectual Property Licenses" means all Contracts relating to the licensing of Intellectual Property by any Seller to a third party (other than another Seller), or by a third party to any Seller that is used in the operation of the Business.

"Interim Financial Statements" has the meaning set forth in Section 3(h)(i).

“Inventory” means all goods held for sale or furnished under Contracts of service, and all raw materials and supplies, and all manufactured, spare and purchased parts.

“IRS” means the United States Internal Revenue Service.

“Knowledge of Guarantor” (and other words of similar import) means the actual knowledge of Joel Quadracci, John Fowler, Andrew Schiesl, Kelly Vanderboom and David Honan, following reasonable inquiry of his or her direct reports.

“Knowledge of Parent” (and other words of similar import) means the actual knowledge of the persons identified on Schedule 1.10 of the Disclosure Schedule, following reasonable inquiry of his or her direct reports (other than the direct reports of those persons indicated on such schedule).

“Law” means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of any Governmental Entity.

“Leased Property Option Notice” has the meaning set forth in Section 5(k)(iii).

“Leased Property Term” has the meaning set forth in Section 5(k)(iii).

“Leased Real Property” has the meaning set forth in Section 3(d)(v).

“Leases” has the meaning set forth in Section 3(d)(v).

“Liability” means any cause of action, debt, demand, liability, adverse claim, judgment or interest, commitment, guarantee, responsibility, setoff, recoupment, offset or obligation of whatever kind or nature (whether direct or indirect, known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due and regardless of when asserted), including, without limitation, any liability for administrative expenses related to the Chapter 11 Cases, Taxes and any Claim.

“Lien” has the meaning set forth in Section 101(37) of the Bankruptcy Code and shall also include any mortgage, pledge, lien, encumbrance, charge, hypothecation, security interest, option, right of first refusal, right of first or last offer, right of way, encumbrance, easement, mortgage, deed of trust, defect of title, security agreement, shareholder’s or similar agreement, restriction on transferability, or other encumbrance or restriction on the use or transfer of any property, in each case whether imposed by Contract, Law, equity or otherwise.

“Litigation” means any action, cause of action, suit, claim, investigation, audit, demand, hearing or proceeding, whether civil, criminal, administrative or arbitral, whether at law or in equity, by or before any Governmental Entity.

“Local Bankruptcy Rules” means, as amended, the Local Bankruptcy Rules for the District of Delaware applicable to all cases in such district governed by the Bankruptcy Code, as modified by orders of the Bankruptcy Court.

"LTM VAR" means, as of any date of determination, cumulative VAR for the 12 months ended as of the last day of the most recently completed fiscal month of Parent which is more than fifteen (15) Business Days from the date of determination.

"Material Adverse Effect" means, when used with respect to any Seller or the Business, any effects, changes or circumstances (other than the filing of the Chapter 11 Cases, the related administration thereof and any actions required to be taken by the Bankruptcy Court) that, individually or in the aggregate, are materially adverse to the Acquired Assets, the Assumed Liabilities, the financial condition or results of operations of the Business (except with respect to the Excluded Assets) as a whole or the ability of Parent to perform its obligations under this Agreement; provided, however, that no effects, changes or circumstances arising or related to any of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (i) general business or economic conditions either in the United States of America or otherwise; (ii) conditions generally affecting the targeted advertising and marketing solutions services industry; (iii) national or international political or social conditions, including the engagement by the United States of America in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States of America or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States of America; (iv) financial, banking or securities markets (including any disruption thereof or any decline in the price of securities generally or any market or index); (v) changes in Law or in GAAP; (vi) the taking of any action required by this Agreement or any Related Agreement; (vii) the announcement or pendency of this Agreement or the transactions contemplated hereby, (viii) any failure to meet any projections or forecasts (but, for the avoidance of doubt, the underlying causes of any such failure shall be taken into account in determining whether there has been a Material Adverse Effect); (ix) the inability of Sellers to pay any administrative expenses in the Chapter 11 Cases or (x) any material breach by Buyer of any covenant or agreement herein or from any representation or warranty of Buyer having been or having become untrue in any material respect; except to the extent, in the case of clauses (i), (ii) and (iv), such effects, changes or circumstances disproportionately adversely affects the Business (except with respect to the Excluded Assets), the Acquired Assets, the Assumed Liabilities or any Seller relative to their industry peers.

"Material Contract" has the meaning set forth in Section 3(k)(i).

"Material Customer Work" means (a) with respect to the First Tier Material Customers, any Customer Work that, as of the Agreement Date, either has LTM VAR in excess of \$250,000 or, for Customer Work that does not have 12 months of historical VAR, annualized VAR in excess of \$250,000 calculated based on the actual amount of historical VAR, as the same may reasonably be adjusted to account for seasonal fluctuations, and (b) with respect to the Second Tier Material Customers, any Customer Work that, as of the Agreement Date, either has LTM VAR in excess of \$500,000 or, for Customer Work that does not have 12 months of historical VAR, annualized VAR in excess of \$500,000 calculated based on the actual amount of historical VAR, as the same may reasonably be adjusted to account for seasonal fluctuations.

“Media Related Bank Overdrafts” means all bank overdrafts related to the payment of Media Related Payables.

“Media Related Payables” means all trade payables incurred by Sellers in connection with media placement opportunities obtained with various newspapers, mail vendors or other media channels for advertisements, inserts and other types of media placements on behalf of customers of the Business.

“Modified Customer Work” means any modification, termination or decrease of any Material Customer Work since August 1, 2012.

“Necessary Consent” has the meaning set forth in Section 2(h).

“Net VAR Losses” means Total VAR Losses less the sum of all VAR Gains.

“Notice of Objection” has the meaning set forth in Section 2(e)(ii).

“Objection Notice” has the meaning set forth in Section 5(l).

“Ordinary Course of Business” means the ordinary course of business consistent with past custom and practice, taking into account, in the case of Sellers or the Business, the status of the Sellers as debtors in possession, the pendency of the Chapter 11 Cases (including any subsequent conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code and/or the appointment of a trustee under chapter 11 or chapter 7 of the Bankruptcy Code), the terms and conditions of the DIP Facility, and, to the extent applicable, the Budget.

“Outside Back-Up Date” shall mean the earlier of (i) the date of closing of an Alternative Transaction with the Successful Bidder, (ii) thirty (30) days from the date of the Auction or (iii) ten (10) days from entry of the Bankruptcy Court’s order approving a Competing Bid and/or an Alternative Transaction.

“Owned Property Term” has the meaning set forth in Section 5(k)(i).

“Owned Real Property” has the meaning set forth in Section 3(d)(iv).

“Parent” has the meaning set forth in the preamble.

“Parent’s Title Response” has the meaning set forth in Section 5(l).

“Party” or “Parties” has the meaning set forth in the preamble.

“Permit” means any franchise, approval, permit, license, order, registration, certificate, variance or similar right obtained from any Governmental Entity.

“Permitted Liens” means: (i) to the extent that they do not materially interfere with the ownership or operation of the affected Acquired Assets, easements, restrictive covenants, and rights-of-way on, over or in respect of any of the Acquired Assets, servitudes, permits, surface leases and other rights with respect to surface operations; (ii) Liens securing



payment to materialmen, mechanics, repairmen, employees, contractors, operators or royalty owners and other similar Liens or charges arising in the Ordinary Course of Business incidental to construction, maintenance or operation of any of the Acquired Assets which are not yet delinquent or if delinquent are being contested in good faith in the Ordinary Course of Business by appropriate action; (iii) all rights reserved to or vested in any Governmental Entity to control or regulate the Acquired Assets and all obligations and duties under all Laws or under any permit issued by any Governmental Entity; (iv) statutory Liens for current Taxes, water charges, and sewer rents and assessments not yet delinquent or the amount or validity of which is being contested in good faith; (v) any Lien that pursuant to section 363(f) of the Bankruptcy Code will be released from the Acquired Assets upon entry of the Sale Order; (vi) other Liens that will be released on or prior to Closing; (vii) any Lien arising under any capital lease or operating lease in respect of any Acquired Asset (other than the Liens arising as a result of delinquent payments thereunder); (viii) any Lien identified on any Survey or Title Documents which is not identified in Buyer's Objection Notice; and (ix) any Liens disclosed on Schedule 1.11 of the Disclosure Schedule.

"Permitted Restructuring Transactions" means any transaction carried out by Parent or a Selling Affiliate prior to the Closing whereby (i) Excluded Assets or Excluded Liabilities are sold, transferred or otherwise disposed of, (ii) Acquired Assets or Assumed Liabilities are transferred from Parent or a Selling Affiliate to another Selling Affiliate or Parent, as the case may be or (iii) Parent or any Selling Affiliate is merged or otherwise consolidated with one or more other Selling Affiliates or Parent, as the case may be, subject, in each case, to Buyer's prior written consent (which consent shall not be unreasonably withheld, delayed or conditioned).

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity, including any Governmental Entity or any group of any of the foregoing.

"Post-Closing Tax Period" means any taxable period (or portion thereof) beginning after the Closing Date.

"Pre-Closing Tax Period" means any taxable period (or portion thereof) ending on or before the Closing Date.

"Pre-Petition Cure Amount" means the Cure Amount necessary to cure any default existing with respect to any Assumed Contract as of the Commencement Date, as agreed to by Buyer and Parent, each acting in good faith, no later than the date that the Bidding Procedures Order is entered by the Bankruptcy Court.

"Post-Petition Cure Amount" means the Cure Amount necessary to cure any default existing with respect to any Assumed Contract as of the Closing Date to the extent such Liability was incurred from and after the Commencement Date.

"Property and Casualty Insurance Policies" means all property, casualty and liability policies where a Seller is an insured.

"Property Taxes" means all real property Taxes, personal property Taxes and similar ad valorem Taxes.

"Purchase Price Adjustment" has the meaning set forth in Section 2(e)(iv).

"Real Estate Option Notice" has the meaning set forth in Section 5(k)(i).

"Real Property" has the meaning set forth in Section 3(d)(vi).

"Records" means the books, records, ledgers, files, invoices, documents, work papers, correspondence, lists (including customer lists and supplier lists), plans, drawings, designs, specifications, creative materials, advertising and promotional materials, marketing plans, studies, reports, data, training materials, printed manuals, programmers' notes and other printed materials.

"Reimbursable Expenses" has the meaning set forth in Section 8(c)(i).

"Related Agreements" means the Bill of Sale, the Assignment and Assumption Agreement, the Escrow Agreement, and all other Contracts, schedules, certificates or other documents being delivered pursuant to or in connection with this Agreement (other than the Assumed Contracts).

"Release" means any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, depositing, disposing of or migrating of Hazardous Substances into or through the environment or any natural or man-made structure.

"Representative" of a Person means the Person's Controlled Affiliates and the officers, directors, managers, employees, advisors (including its financial advisors), representatives (including its legal counsel and its accountants) and agents of the Person and/or its Controlled Affiliates.

"Required Lenders" means, collectively, the ABL Required Lenders and the Term Loan Required Lenders.

"Retained Claim" has the meaning set forth in the definition of Excluded Assets.

"Sale Motion" means the motion, including any supporting documents or information, of Sellers, in form and substance acceptable to Parent, Buyer and the Required Lenders, seeking entry of the Bidding Procedures Order and Sale Order by the Bankruptcy Court.

"Sale Order" means an order of the Bankruptcy Court, substantially in the form attached hereto as Exhibit B and incorporated by reference herein, and otherwise in form and substance acceptable to Parent, the Required Lenders, and Buyer, approving, without limitation, this Agreement and all of the terms and conditions hereof and approving and authorizing Sellers to consummate the transactions contemplated hereby pursuant to sections 363 and 365 of the Bankruptcy Code.

"Second Tier Material Customers" means the top 51 to 100 customers of the Business in terms of total LTM VAR (where the date of determination for such LTM VAR is the Agreement Date).

"Seller" or "Sellers" has the meaning set forth in the recitals.

"Selling Affiliates" has the meaning set forth in the recitals.

"Specific Buyer Agreements" means (a) Buyer's specific agreement set forth in Section 5(n)(i)(1) to make or cause to be made all filings required of Buyer or any of its Affiliates under the HSR Act or other Antitrust Laws with respect to the transactions contemplated herein as promptly as practicable after the Agreement Date, and in any event prior to five (5) Business Days after the Agreement Date, and (b) Buyer's covenants, agreements and promises set forth in Section 2(d)(iii)(B) (but only with respect to the delivery of the Deposit, together with all accrued investment income or interest thereon, pursuant to the terms and conditions set forth in Section 10(w)(i), Section 5(f), Section 6 (but only to the extent related to post-Closing covenants, agreements and promises) and Section 10(a).

"Straddle Period" means any taxable period that includes (but does not end on) the Closing Date.

"Successful Bidder" has the meaning set forth in Section 5(d)(ii).

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or Controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons owns a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be or Control any managing director or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"Survey" has the meaning set forth in Section 5(l).

"Target Working Capital" means One Hundred Thirty-Seven Million dollars (\$137,000,000).

"Tax" or "Taxes" means all federal, state, local and foreign taxes, assessments, charges, duties, fees, levies or other similar amounts of any kind whatsoever, including all income, franchise, profits, capital gains, capital stock, transfer, sales, use, occupation, property, excise, severance, windfall profits, stamp, license, payroll, withholding, ad valorem, value added, alternative minimum, environmental, customs, social security (or similar), unemployment, sick

pay, disability and registration taxes, whether disputed or not, together with all estimated taxes, deficiency assessments, additions to tax, penalties and interest with respect thereto.

“Tax Return” means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Taxing Authority” means any Governmental Entity exercising any authority to impose, regulate or administer the imposition of Taxes.

“Terminating Customer” means any First Tier Material Customer or Second Tier Material Customer that has, since August 1, 2012, terminated, not renewed or cancelled substantially all of its Customer Work.

“Term Loan” means the Term Loan Credit Agreement, dated as of December 20, 2010, by and among Vertis, Parent, the subsidiaries party thereto, Morgan Stanley Senior Funding, Inc., as administrative agent, Morgan Stanley & Co. Incorporated, as collateral agent and the lenders party thereto (as amended, restated, supplemented or otherwise modified from time to time).

“Term Loan Required Lenders” means the Required Lenders as defined in the Term Loan.

“Title Documents” has the meaning set forth in Section 5(l).

“Total VAR Loss” means the sum of the VAR Losses from all Terminating Customers and Modified Customer Work; provided that there shall be excluded from the calculation of Total VAR Loss, (i) any VAR Loss associated with Customer Work that is transferred to Guarantor or any of its Affiliates and (ii) any VAR Loss that results from any First Tier Material Customer or Second Tier Material Customer reducing its overall print marketing spend.

“Transfer Taxes” means any federal, state, county, local, foreign and other sales, use, transfer, conveyance, documentary transfer, recording or other similar Taxes imposed in connection with the transactions contemplated by this Agreement.

“Transfer Tax Escrow” has the meaning set forth in Section 2(d)(iv).

“Transferred Employee” has the meaning set forth in Section 6(e)(i).

“Transition Leased Property” has the meaning set forth in Section 5(k)(iii).

“Transition Real Property” has the meaning set forth in Section 5(k)(i).

“Transition Services Agreement” has the meaning set forth in Section 5(k)(v).

“VAR” means net revenue of the Sellers less the cost of paper.

“VAR Gains” means the aggregate of (a) VAR generated between the Agreement Date and the Closing Date from Equivalent Customer Work, and (b) the amount of VAR that is reasonably expected to be generated in the 12 months following the Closing Date from Equivalent Customer Work that Sellers have the legal right to perform pursuant to written contracts, statements of work, purchase orders or similar commitments; provided, however, that in no event shall the VAR generated (pursuant to clause (a) of this definition), or the VAR reasonably expected to be generated (pursuant to clause (b) of this definition), be calculated for any particular Equivalent Customer Work for a period that exceeds 12 months in the aggregate.

“VAR Loss” means (i) with respect to any Terminating Customer, an amount equal to the LTM VAR generated from any Customer Work that is terminated, not renewed or cancelled by such Customer since August 1, 2012, and (ii) with respect to any Modified Customer Work, an amount equal to the difference between the LTM VAR generated from such Modified Customer Work (where the date of determination for such LTM VAR is the date notice is received of such modification, termination or decrease) and the VAR reasonably expected to be generated from such Modified Customer Work during the 12 month period following the date such modification, termination or decrease takes effect.

“WARN Act” means the U.S. Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar Law.

“Willful Breach” means, with respect to any representation, warranty, agreement or covenant of a Party, an action or omission (including a failure to cure circumstances) taken or omitted to be taken after the Agreement Date that such Party intentionally takes (or fails to take) which would reasonably be expected to constitute a breach of such representation, warranty, agreement or covenant.

“Working Capital Adjustment” means the amount, if any (which may be expressed as a negative number) equal to Closing Working Capital less Target Working Capital.

“Working Capital Escrow Deposit” has the meaning set forth in Section 2(d)(iv).

For any Party hereto, a document is “substantially in the form” of a document referred to in this Agreement when it is identical to the document referred to except for (i) revisions necessary to correct typographical and obvious clerical errors and (ii) changes to the date of such document.

## Section 2. Purchase and Sale.

### (a) Purchase and Sale of Acquired Assets; Retention of Excluded Assets; Assumption of Assumed Liabilities; Retention of Excluded Liabilities.

(i) On the terms and subject to the conditions of this Agreement, at the Closing, Buyer agrees to purchase, acquire and accept from Sellers, and Parent agrees to sell (and cause the Selling Affiliates to sell), transfer, assign, convey and deliver to Buyer, on an AS IS WHERE IS basis, except as expressly set forth in Section 3, all of the Acquired Assets free and clear of any and all Liens (other than Liens created by Buyer and the Permitted Liens), Liabilities and other claims and interests as of the Closing for

the consideration specified in Section 2(d)(ii). Nothing contained herein shall be deemed to sell, transfer, assign or convey the Excluded Assets to Buyer, and Sellers shall retain all right, title and interest to, in, and under the Excluded Assets.

(ii) On the terms and subject to the conditions of this Agreement at the Closing, Buyer shall assume and become responsible for the Assumed Liabilities and shall timely pay, honor, discharge and perform or otherwise satisfy when due, or cause to be timely paid, honored, discharged, performed or otherwise satisfied when due, all of the Assumed Liabilities in accordance with the terms thereof. Notwithstanding anything in this Agreement to the contrary, Buyer will not assume and shall be deemed not to have assumed, any of the Excluded Liabilities.

(b) Asset and Liability Adjustments. At any time prior to the date that is ten (10) Business Days prior to the hearing before the Bankruptcy Court to obtain entry of the Sale Order (the "Sale Hearing"), Buyer may, by written notice to Parent, (A) add or remove any Asset of any Seller, including any Employee Benefit Plans (other than Contracts, the treatment of which is addressed in Section 2(c), and other than any Inventory or Accounts Receivable), from or to Schedule 1.1(q) of the Disclosure Schedule or Schedule 1.8 of the Disclosure Schedule, as applicable, whereupon such Asset shall thereafter be an Acquired Asset or Excluded Asset, as applicable, (B) add any Liability of any Seller to Schedule 1.4 of the Disclosure Schedule whereupon such Liability shall thereafter be an Assumed Liability, or (C) add or remove any Liability of any Seller to or from Schedule 1.9 of the Disclosure Schedule, whereupon such Liability shall thereafter be an Excluded Liability or Assumed Liability, as applicable. For the avoidance of doubt, there shall be no adjustment to the Initial Purchase Price or the Final Purchase Price as a result of any such addition or removal, subject to any adjustment to the Initial Purchase Price or the Final Purchase Price resulting from the Estimated Working Capital Adjustment or Working Capital Adjustment.

(c) Assumption and Rejection of Contracts.

(i) Annex B, which shall initially be prepared and agreed to by Buyer and Parent no later than the date that the Bidding Procedures Order is entered by the Bankruptcy Court (such initial Annex B that is agreed to by Buyer and Parent, the "Initial Annex B"), shall set forth a list of the Contracts that Buyer desires to be assumed by Sellers and assigned to Buyer at the Closing as Assumed Contracts. The Initial Annex B shall also set forth Parent's best, good faith estimate of the Cure Amounts necessary to cure any defaults under such Assumed Contracts as of the Commencement Date, which estimate may be revised by Parent (with no impact on the amount of the Buyer Payable Cure Cap) at any time subsequent to the Agreement Date but no later than the date with is three (3) Business Days prior to the Closing. Buyer shall be liable for all Cure Amounts up to the Buyer Payable Cure Cap, which liability Buyer shall satisfy by paying to Parent an amount equal to the Buyer Payable Cure Cap pursuant to Section 2(g)(ii)(F)(2). Buyer shall have no liability with respect to any Cure Amount to the extent it exceeds the Buyer Payable Cure Cap. Sellers shall be liable for all Cure Amounts to the extent that such Cure Amounts exceed the Buyer Payable Cure Cap, and Sellers shall be responsible for paying all Cure Amounts, either out of the Initial Purchase Price or the Buyer Payable Cure Cap, provided that Sellers shall have no liability for or obligation to pay any Cure

Amounts with respect to any Contract (other than Contracts related to the Media Related Payables) with any supplier of goods and services to the Business.

(ii) At any time prior to the date that is five (5) Business Days prior to the Sale Hearing, Buyer may, by written notice to Parent, remove any Contract that previously has been designated as an Assumed Contract on Annex B, such Contract shall thereafter be an Excluded Asset. For the avoidance of doubt, there shall be no adjustment to the Initial Purchase Price or the Final Purchase Price as a result of any such removal.

(iii) At any time prior to the date that is five (5) Business Days prior to the Sale Hearing, Buyer may, by written notice to Parent, designate any Contract that previously has not been (A) designated as an Assumed Contract on the Initial Annex B nor (B) rejected by Sellers, as a Contract to be assumed and assigned hereunder, and upon receipt of any such notice, and the Initial Annex B shall be amended and modified accordingly to include such Contract as an Assumed Contract. Thereafter, Parent shall (and shall cause the Selling Affiliates to) use commercially reasonable efforts to effect the assumption of such Contract by Sellers in accordance with the Bankruptcy Code.

(iv) Parent, as promptly as reasonably practicable following the preparation of the Initial Annex B as contemplated by Section 2(c)(i) above or, as applicable, after the designation by Buyer of any additional Contracts as Assumed Contracts in accordance with Section 2(c)(iii) hereof, shall (and shall cause its Selling Affiliates to), pursuant to the Sale Motion, and with respect to any Post-Sale Hearing Contracts and Undisclosed Contracts, by separate motion to the Bankruptcy Court, commence appropriate proceedings before the Bankruptcy Court and take all necessary actions in order to determine and fix the Cure Amounts with respect to such Contracts in accordance with the Bankruptcy Code at the Closing, and to otherwise effect the assumption by Sellers and assignment to Buyer of each Contract designated as an Assumed Contract under Sections 2(c)(i), 2(c)(iii) and 2(c)(vi) hereof, with such assumption and assignment of all Assumed Contracts to be effective as of the Closing Date. Buyer shall use its commercially reasonable efforts to cooperate in the foregoing.

(v) In furtherance of the foregoing, Buyer acknowledges and agrees that Buyer will provide all necessary information regarding Buyer, as well as a financial commitment of performance by Buyer with respect to the Assumed Contracts from and after the Closing, to demonstrate adequate assurance of future performance of the Assumed Contracts so that all Assumed Contracts can be assumed and assigned by Sellers to Buyer at or prior to the Closing in accordance with the provisions of section 365 of the Bankruptcy Code and this Agreement.

(vi) In addition to the above procedures regarding the assumption and rejection of Contracts, with respect to any Contracts which may not be disclosed to Buyer, or regarding which the terms and conditions may not be fully disclosed to Buyer, until after the Sale Hearing (the "Post-Sale Hearing Contracts"), which Contracts are listed on Annex D (which annex shall initially be prepared and agreed to by Buyer and Parent no later than the date that the Bidding Procedures Order is entered by the Bankruptcy Court), as well any Contracts that were otherwise undisclosed to Buyer prior to the Sale Hearing

(the "Undisclosed Contracts") but which are, in each case, disclosed to Buyer prior to the Closing, Buyer may, by written notice to Parent not later than ten (10) days prior to the Closing, to the extent any such Contract has not previously been (A) designated as an Assumed Contract on Annex B or (B) rejected by Sellers, designate such Post-Sale Hearing Contract or Undisclosed Contract as a Contract to be assumed and assigned hereunder, and upon receipt of any such notice, Annex B shall be amended and modified accordingly to include such Contract as an Assumed Contract. Thereafter, Parent shall (and shall cause the Selling Affiliates to) use commercially reasonable efforts to effect the assumption of such Contract by Sellers and assignment thereof to Buyer in accordance with the Bankruptcy Code upon Closing. Further, with respect to any Contract that is not disclosed or otherwise made known to Buyer until after Closing, but if known would have been assumed by Sellers and assigned to Buyer as part of Buyer's acquisition of the Acquired Assets, Parent shall, upon notice from Buyer, (and shall cause the Selling Affiliates to) use commercially reasonable efforts to effect the assumption of such Contract by Sellers and assignment thereof to Buyer provided that (A) such Contracts have not been previously assumed or rejected by Sellers in the Chapter 11 Cases, (B) Buyer pays all Cure Amounts with respect thereto, and (C) the Chapter 11 Cases have not yet been closed.

(d) Consideration.

(i) At least three (3) Business Days, but not more than five (5) Business Days prior to the Closing Date, Parent shall prepare and deliver to Buyer a statement (the "Estimated Closing Statement") setting forth Sellers' good faith estimate of (A) the amount of the Closing Working Capital (the "Estimated Closing Working Capital") and (B) the amount of the Estimated Working Capital Adjustment, which statement shall quantify in reasonable detail the estimates of the items constituting such Estimated Closing Working Capital and such Estimated Working Capital Adjustment, if any, and in each case calculated in accordance with the terms of this Agreement. The Estimated Closing Statement shall be prepared in accordance with GAAP and the policies and procedures set forth on Annex C, which Annex shall be in form and substance acceptable to the Required Lenders. During the period after the delivery of the Estimated Closing Statement and prior to the Closing Date, Buyer shall have an opportunity to review the Estimated Closing Statement and Parent shall cooperate with Buyer in good faith to mutually agree upon the Estimated Closing Statement in the event Buyer disputes any item proposed to be set forth on such statement; provided, that, if Parent and Buyer are not able to reach mutual agreement prior to the Closing Date, the Estimated Closing Statement provided by Parent to Buyer shall be binding for purposes of this Section 2(d), but not, for the avoidance of doubt, for purposes of Section 2(e).

(ii) The aggregate consideration for the sale and transfer of the Acquired Assets shall be (A) the Initial Purchase Price payable in cash at the Closing pursuant to Section 2(g)(ii)(G) and subject to adjustment as provided in Section 2(e) and (B) the assumption by Buyer of the Assumed Liabilities.

(iii) On the Agreement Date, Buyer or Guarantor, on behalf of Buyer, shall have deposited with JP Morgan Chase & Co., in its capacity as escrow agent (the



"Escrow Agent"), pursuant to the terms of an escrow agreement, by and among Buyer, Parent and Escrow Agent, dated as of the Agreement Date, in the form of Exhibit C attached hereto (the "Escrow Agreement"), an amount in cash equal to Twenty Five Million Eight Hundred Fifty Thousand Dollars (\$25,850,000) (the "Deposit") by wire transfer of immediately available funds, which Deposit (together with all accrued investment income or interest thereon) shall be held by the Escrow Agent in trust and distributed to Buyer or Parent as follows:

(A) if the Closing shall occur, then the Parties shall take all necessary actions under this Agreement and the Escrow Agreement (including the provision of the joint written instructions required thereunder) to cause the Deposit, together with all accrued investment income or interest thereon, to be applied towards the Initial Purchase Price payable by Buyer to Parent under Section 2(g)(ii)(G);

(B) if this Agreement is terminated by Parent pursuant to Section 8(a)(iii) (solely as a result of the conditions set forth in Sections 7(b)(i), (ii) or (iv) becoming incapable of fulfillment other than as a result of a breach by Parent) or Section 8(a)(v), then the Parties shall take all necessary actions under this Agreement and the Escrow Agreement (including the provision of the joint written instructions required thereunder) to cause the Deposit, together with all accrued investment income or interest thereon, to be delivered to Parent as full and complete liquidated damages (and not as a penalty), pursuant to the terms and conditions set forth in Section 10(w)(i); and

(C) if this Agreement is terminated for any other reason, then the Parties shall take all necessary actions under this Agreement and the Escrow Agreement (including the provision of the joint written instructions required thereunder) to cause the Deposit, together with all accrued investment income or interest thereon, to be delivered to Buyer.

(iv) On the Closing Date, Buyer or Guarantor, on behalf of Buyer, shall deposit with the Escrow Agent, pursuant to the terms of the Escrow Agreement, amounts in cash equal to Forty Million Dollars (\$40,000,000) (the "Working Capital Escrow Deposit") and One Million Dollars (\$1,000,000) (the "Transfer Tax Escrow") by wire transfer of immediately available funds, which Working Capital Escrow Deposit and Transfer Tax Escrow (together with all accrued investment income or interest thereon) shall be held by the Escrow Agent in trust and distributed to Buyer or Parent in accordance with the terms of this Agreement and the Escrow Agreement.

(e) Determination of Purchase Price Adjustment.

(i) Promptly after the Closing Date, and in any event not later than sixty (60) days following the Closing Date, Buyer shall prepare and deliver to Parent a statement (the "Closing Statement") setting forth Buyer's good faith calculations (the "Buyer's Proposed Calculations") of (A) the Closing Working Capital, (B) the amount of the Working Capital Adjustment and (C) a calculation of the Final Purchase Price based on the amounts set forth in the Closing Statement, which statement shall quantify in

reasonable detail the calculations of the items constituting such Closing Working Capital and such Working Capital Adjustment, if any, and in each case calculated in accordance with the terms of this Agreement. The Closing Statement shall be prepared in accordance with GAAP and the policies and procedures set forth on Annex C. Upon delivery of the Buyer's Proposed Calculations by Buyer, Buyer shall provide Parent and its Representatives with reasonable access, during normal business hours, to the Business' accounting and other personnel and to the books and records of the Business, as the case may be, and any other document or information reasonably requested by Parent, and necessary in order to allow Parent and its Representatives to verify the accuracy of the determination by Buyer of the Buyer's Proposed Calculations. To the extent the calculation of the Final Purchase Price included in Buyer's Proposed Calculations would result in a Purchase Price Adjustment that is less than the amount of the Working Capital Escrow Deposit, Parent and Buyer shall promptly (and in any event within three (3) Business Days) following delivery of Buyer's Proposed Calculations, instruct the Escrow Agent to immediately release to Parent an amount equal to the excess of the Working Capital Escrow Deposit over the amount of the Working Capital Adjustment specified in the Buyer's Closing Statement.

(ii) In the event that Parent does not object to the Buyer's Proposed Calculations by written notice of objection (the "Notice of Objection") delivered to Buyer within thirty (30) days after Parent's receipt of the Buyer's Proposed Calculations, the recalculation of the Initial Purchase Price pursuant to the Buyer's Proposed Calculations shall be deemed final and binding. A Notice of Objection under this Section 2(e)(ii) shall set forth in reasonable detail Parent's alternative calculations of (i) the Closing Working Capital and the Working Capital Adjustment calculated by reference thereto and (ii) a recalculation of the Final Purchase Price based on such amounts. To the extent the recalculation of the Final Purchase Price included in Parent's Notice of Objection would result in a Purchase Price Adjustment in favor of Buyer, Parent and Buyer shall promptly (and in any event within three (3) Business Days) following delivery of Parent's Notice of Objection, instruct the Escrow Agent to immediately release the amount of such agreed Purchase Price Adjustment to Buyer in a manner consistent with Section 2(e)(iv).

(iii) If Parent delivers a Notice of Objection to Buyer within the thirty (30) day period referred to in Section 2(e)(ii), then any element of the Buyer's Proposed Calculations that is not in dispute on the date such Notice of Objection is given shall be treated as final and binding, and any dispute (all such amounts, the "Disputed Amounts") shall be resolved as set forth in this Section 2(e)(iii):

(A) Parent and Buyer shall promptly endeavor in good faith to resolve the Disputed Amounts listed in the Notice of Objection. If a written agreement determining the Disputed Amounts has not been reached within ten (10) Business Days (or such longer period as may be agreed by Parent and Buyer) after the date of receipt by Buyer from Parent of the Notice of Objection, the resolution of such Disputed Amounts shall be submitted to the Independent Accountant.

(B) Parent and Buyer shall use their commercially reasonable efforts to cause the Independent Accountant to render a decision in accordance with this

Section 2(e)(iii) along with a statement of reasons therefor within thirty (30) days of the submission of the Disputed Amounts, or a reasonable time thereafter, to the Independent Accountant. The decision of the Independent Accountant shall be final and binding upon each Party and the decision of the Independent Accountant shall constitute an arbitral award that is final, binding and non-appealable and upon which a judgment may be entered by a court having jurisdiction thereover.

(C) The Final Purchase Price shall be recalculated based upon the final determination (or deemed determination) of the Independent Accountant with respect to the Disputed Amounts and the Final Purchase Price, as so recalculated, shall be deemed to be final and binding.

(D) If Parent and Buyer submit any Disputed Amounts to the Independent Accountant for resolution, Parent and Buyer shall each pay their own costs and expenses incurred under this Section 2(e)(ii). Parent shall be responsible for that fraction of the fees and costs of the Independent Accountant where (1) the numerator of such fraction is the absolute value of the difference between Parent's aggregate position with respect to the Final Purchase Price and the Final Purchase Price as recalculated based upon the Independent Accountant's final determination with respect to the Disputed Amounts and (2) the denominator of such fraction is the absolute value of the difference between Parent's aggregate position with respect to the Final Purchase Price and Buyer's aggregate position with respect to the Final Purchase Price, and Buyer shall be responsible for the remainder of such fees and costs.

(E) The Independent Accountant shall act as an arbitrator to determine, based upon the provisions of this Section 2(e)(iii), only the Disputed Amounts and the determination of each amount of the Disputed Amounts shall be made in accordance with the procedures set forth in Section 2(e)(i). The Independent Accountant shall choose an amount that equals, or falls between, the position of Parent and/or the position of Buyer with respect to each Disputed Amount.

(iv) Upon the determination, in accordance with Section 2(e)(ii) or 2(e)(iii) of the Final Purchase Price, Parent or Buyer, as the case may be, shall make, or instruct the Escrow Agent to make, as applicable, the payment required by this Section 2(e)(iv). The amount payable pursuant to this Section 2(e)(iv) is referred to herein as the "Purchase Price Adjustment" and shall be treated as an adjustment to the purchase price for federal, state, local and foreign income Tax purposes:

(A) If the Final Purchase Price is greater than the Initial Purchase Price, then Buyer shall pay to Parent for the account of Parent the difference between the Final Purchase Price and the Initial Purchase Price within three (3) Business Days of the determination of the Final Purchase Price, such Purchase Price Adjustment to be paid by wire transfer of immediately available funds to an account designated by Parent in writing to Buyer promptly after the final determination of the Final Purchase Price.

(B) If the Final Purchase Price is less than the Initial Purchase Price, then the Parties shall take all necessary actions under this Agreement and the Escrow Agreement (including the provision of the joint written instructions required thereunder) to cause the Escrow Agent to pay to Buyer for the account of Buyer out of the Working Capital Escrow Deposit the difference between the Initial Purchase Price and the Final Purchase Price within three (3) Business Days of the determination of the Final Purchase Price, such Purchase Price Adjustment to be paid to Buyer in accordance with the terms of the Escrow Agreement. To the extent that the difference between the Initial Purchase Price and the Final Purchase Price exceeds the Working Capital Escrow Deposit, Parent shall pay to Buyer for the account of Buyer the amount of such excess within three (3) Business Days of the determination of the Final Purchase Price by wire transfer of immediately available funds to an account designated by Buyer in writing to Parent promptly after the final determination of the Final Purchase Price.

(C) The Parties shall take all necessary actions under this Agreement and the Escrow Agreement (including the provision of the joint written instructions required thereunder) to cause the Escrow Agent to promptly (but in any event within six (6) Business Days of the determination of the Final Purchase Price) release to Parent any remaining amount of the (1) Working Capital Escrow Deposit, less the amount, if any, payable to Buyer pursuant to Section 2(e)(iv)(B) and (2) the Transfer Tax Escrow.

(f) Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Cadwalader, Wickersham & Taft LLP, located at One World Financial Center, New York, New York 10281, commencing at 11:00 a.m. local time on the Business Day (the "Closing Date") immediately following the date on which all conditions to the obligations of Parent, Buyer and Guarantor to consummate the transactions contemplated in this Agreement, as set forth in Section 7 (other than conditions with respect to actions Sellers and/or Buyer will take at the Closing itself, but subject to the satisfaction or waiver of those conditions), have been satisfied or waived.

(g) Deliveries at Closing.

(i) At the Closing, Parent will, or will cause the Selling Affiliates to, as applicable, deliver to Buyer the following documents duly executed by the applicable Seller(s) and other items:

(A) Bill of Sale substantially in the form of Exhibit D attached hereto (the "Bill of Sale");

(B) an Assignment and Assumption Agreement substantially in the form of Exhibit E attached hereto (the "Assignment and Assumption Agreement");

(C) an instrument of assignment for all Acquired Intellectual Property substantially in the form of Exhibit F (the "Intellectual Property Assignment")

attached hereto for each registered trademark (or pending application therefor), registered patent (or pending application therefor), copyright, or other Intellectual Property owned by Sellers, and Intellectual Property Licenses of the Sellers;

(D) a certified copy of all orders as entered by the Bankruptcy Court pertaining to the transactions contemplated by this Agreement, including the Bidding Procedures Order and the Sale Order;

(E) a certificate to the effect that each of the conditions specified in Section 7(a)(iii) and Section 7(a)(iv) is satisfied;

(F) quitclaim deeds or deeds without covenants against grantor's acts and, where applicable, assignments of lease, in each case, in form and substance reasonably acceptable to Buyer, duly executed by the applicable Sellers in recordable form, conveying to Buyer good and marketable fee title to the Acquired Owned Property and valid leasehold title to the Acquired Leased Property, in each case free and clear of all Liens other than Permitted Liens;

(G) such other documents, instruments and certificates as Buyer may reasonably request; and

(H) such additional documents as may be reasonably necessary or customary to consummate the Agreement and the transactions contemplated hereby.

(ii) At the Closing, Buyer will deliver, and in the case of Section 2(g)(ii)(E) will cause the Escrow Agent to deliver, to Parent, and in the case of Section 2(g)(ii)(G) to the Escrow Agent, the following documents duly executed by it, cash amounts and other items:

(A) the Bill of Sale;

(B) the Assignment and Assumption Agreement;

(C) the Intellectual Property Assignment;

(D) a certificate to the effect that each of the conditions specified in Section 7(b)(i) and Section 7(b)(ii) is satisfied in all respects;

(E) the Deposit, in accordance with the terms of the Escrow Agreement, by wire transfer of immediately available funds to one or more bank accounts designated in writing by Sellers to Buyer and the Escrow Agent prior to the Closing Date;

(F) an amount equal to the (1) Initial Purchase Price, plus (2) the Buyer Payable Cure Cap, less (3) the Deposit (together with all accrued investment income and interest thereon through the date immediately preceding the Closing Date), less (4) the Working Capital Escrow Deposit, less (5) the

Transfer Tax Escrow, by wire transfer of immediately available funds to one or more bank accounts designated in writing by Sellers to Buyer prior to the Closing Date;

(G) the Working Capital Escrow Deposit and the Transfer Tax Escrow to the Escrow Agent, in accordance with Section 2(d)(iv);

(H) such other documents, instruments and certificates as Sellers may reasonably request; and

(I) such additional documents as may be reasonably necessary or customary to consummate the Agreement, including any Transfer Tax or statement of value forms which may be required.

(h) Non-Assignment of Assumed Contracts. Notwithstanding any other provision of this Agreement to the contrary, but subject to Section 7(a)(ix) as it relates to Buyer's obligation to consummate the transactions contemplated by this Agreement, this Agreement shall not constitute an agreement to assign or transfer and shall not affect the assignment or transfer of any Acquired Asset if (i) an attempted assignment thereof, without the approval, authorization or consent of, or granting or issuance of any license or permit by, any third party thereto would constitute a breach thereof or in any way adversely affect the rights of Buyer thereunder and (ii) the Bankruptcy Court shall not have entered a Final Order providing that such consent is not required (each such action, a "Necessary Consent"). In such event, Parent and Buyer will use (and Parent shall cause the Selling Affiliates to use) their commercially reasonable efforts to obtain, as promptly as reasonably practicable, any Necessary Consent with respect to any such Acquired Asset or any claim or right or any benefit arising thereunder for the assignment thereof to Buyer as Buyer may reasonably request. If such Necessary Consent is not obtained, or if an attempted assignment thereof would be ineffective, would adversely affect the rights of any Seller thereunder or Buyer would not in fact receive all such rights, such Seller and Buyer will cooperate in a mutually agreeable arrangement, to the extent feasible and at no expense to such Seller, under which Buyer would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including subcontracting, sub-licensing, or sub-leasing to Buyer, or under which such Seller would enforce for the benefit of Buyer with Buyer assuming such Seller's obligations and any and all rights of such Seller against a third party thereto. For the avoidance of doubt, except as provided in Section 8(c) hereof, and subject to Section 7(a)(ix) as it relates to Buyer's obligation to consummate the transactions contemplated by this Agreement, in the event Sellers fail to obtain any Necessary Consents, Sellers shall not have any liability to Buyer as a result of any such failure, provided that none of the covenants and agreements contained in this Section 2(h) or Section 5(b) have been breached by Parent.

Section 3. Parent's Representations and Warranties. Except as set forth in the Disclosure Schedule delivered by Parent to Buyer on the Agreement Date (collectively, the "Disclosure Schedule"), Parent represents and warrants to Buyer as follows:

(a) Organization of Sellers; Good Standing. Each Seller is duly incorporated or formed (as applicable), validly existing and in good standing (or the equivalent thereof) under the laws of the jurisdiction of its incorporation or formation and as of the Agreement Date, has

all requisite corporate or similar power and authority to own, lease and operate its Assets and to carry on the Business as now being conducted. From and after the Commencement Date, pursuant to applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court, each Seller has all requisite corporate or similar power and authority to own, lease and operate its Assets and to carry on the Business as now being conducted.

(b) Authorization of Transaction. Subject to Bankruptcy Court approval, as required following the Commencement Date, pursuant to the Sale Order and such Sale Order being a Final Order: (i) each Seller has full corporate or similar power and authority to execute and deliver this Agreement, the Related Agreements to which it is a party and to perform its obligations hereunder and thereunder; (ii) the execution, delivery, consummation and performance of this Agreement and the Related Agreements to which a Seller is a party have been or will be prior to delivery duly authorized by such Seller; (iii) this Agreement has been, and each Related Agreement to which a Seller is a party will be, at the Closing, duly and validly executed and delivered by each Seller party thereto; and (iv) this Agreement, and the Related Agreements to which a Seller is a party will, when executed, assuming, in each case, the due authorization, execution, and delivery thereof by the other parties thereto, constitute the valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principles of equity.

(c) Noncontravention. Subject to (i) Bankruptcy Court approval, as required following the Commencement Date, pursuant to the Sale Order and such Sale Order being a Final Order and (ii) receipt of any consents required by the HSR Act and the expiration or earlier termination of all waiting periods thereunder, neither the execution and delivery of this Agreement or the Related Agreements, nor the consummation of the transactions contemplated in this Agreement or the Related Agreements, will (A) conflict with or result in a breach of the certificate of incorporation or bylaws or other organizational documents of any Seller, (B) violate any Law or Decree that is material to the conduct of the Business or the Acquired Assets and to which the Business or the Acquired Assets are subject, or (C) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any Assumed Contract, except, with respect to clause (B), for any violations as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Subject to (i) Bankruptcy Court approval, as required following the Commencement Date, pursuant to the Sale Order and such Sale Order being a Final Order and (ii) receipt of any consents required by the HSR Act and the expiration or earlier termination of all waiting periods thereunder, no Seller is required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any Governmental Entity or third party in order for the Parties to consummate the transactions contemplated by this Agreement the failure of which to give, make or obtain would be material to the Business

(d) Title to Acquired Assets; Sufficiency of Acquired Assets; Real Property.

(i) Each Seller, as applicable, has indefeasible title to, and owns and possesses all material rights and interests in, including the right to use, each of the Acquired Assets, or with respect to leased Acquired Assets, valid leasehold interests in, or with respect to licensed Acquired Assets, valid licenses to use, subject, in each case, to

Permitted Liens. At the Closing each applicable Seller will deliver the Acquired Assets to Buyer free and clear of all Liens (other than Permitted Liens).

(ii) The Furnishings and Equipment included in the Acquired Assets are in good working condition and repair, normal wear and tear excepted.

(iii) The Acquired Assets constitute all of the Assets, tangible and intangible, of any nature whatsoever necessary and sufficient for the operation of the Business (except to the extent related to the Excluded Assets) in a manner consistent with the past practices of the Sellers.

(iv) Schedule 3(d)(iv) to the Disclosure Schedule sets forth an accurate and complete list of all real property owned by the Sellers (together with any buildings, structures, improvements and fixtures on such real property, the "Owned Real Property"). Each applicable Seller has good, valid fee simple title to the Acquired Owned Property free and clear of all Liens, other than Permitted Liens.

(v) Schedule 3(d)(v) to the Disclosure Schedule sets forth an accurate and complete list of all leases, subleases, licenses, concessions and other agreements (collectively, the "Leases"), pursuant to which (A) any Seller holds a leasehold or subleasehold estate in, or is granted a license, concession, or other right to use or occupy, any land, buildings, improvements, fixtures or other interest in real property that are used in the operation of the Business (the "Leased Real Property"), or (B) any Seller leases, or grants a license, concession or other right to use or occupy, a portion of any Owned Real Property or Leased Real Property to a third party, a Seller or an Affiliate thereof. Parent has delivered or made available to Buyer an accurate and complete copy of each of the Leases (including any and all amendments thereof), and in the case of any oral Lease, a written summary of the terms of such Lease. With respect to each of the Leases for Acquired Leased Property: (i) such Lease is legal, valid, binding, enforceable and in full force and effect; (ii) excluding the effect of the filing and administration of the Chapter 11 cases, neither the applicable Seller(s) nor, to the Knowledge of Parent, any other party to such Lease, is in breach thereof, and, to the Knowledge of Parent, no event has occurred that, with the giving of notice or the lapse of time or both, would constitute a breach thereof; (iii) each of the applicable Seller(s) and, to the Knowledge of Parent, the other Person or Persons who are parties thereto has performed in all material respects all of its obligations required to be performed by it under such Lease; and (iv) other than Permitted Liens, the applicable Seller has not assigned, subleased, mortgaged, deeded in trust or otherwise transferred or encumbered such Lease or any interest therein except, in the case of clause (iii), as would not reasonably be expected to be material to the Business.

(vi) There are no deferred real or personal property Taxes or assessments with respect to the Acquired Real Property that may or will become due and payable as a result of the consummation of the transactions contemplated by the Agreement To the Knowledge of Parent, there are no condemnation or eminent domain proceedings pending or threatened with respect to all or any part of the Acquired Real Property. No Seller has received any written notice that the improvements on each parcel of Acquired Real



Property do not or will not, and the Sellers' use thereof does not or will not, comply in all material respects with any and all building, zoning, subdivision, land use, occupancy, health and other Laws relating to the Acquired Real Property.

(vii) To the Knowledge of Parent, the Improvements are in good working condition, normal wear and tear excepted, and are suitable for the uses for which they are currently used. To the Knowledge of Parent, the Improvements are free of material defects and, to the Knowledge of Parent, there are no facts or conditions affecting the Improvements which would materially interfere with the use or occupancy of the Improvements or with the continued operation of the Business (except with respect to the Excluded Assets) as currently conducted.

(e) Litigation. Except as set forth on Schedule 3(e), as of the Agreement Date, there is no Litigation pending or, to the Knowledge of Parent, threatened against any Seller, or affecting any Acquired Asset or the Business before any Governmental Entity, which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Business, or would otherwise reasonably be expected to result in a Liability for any Seller or the Business of \$1,000,000 or more. There is no unsatisfied adverse Decree of a Governmental Entity or arbitrator outstanding against any Seller or affecting any Acquired Asset or the Business.

(f) Compliance with Law. (i) Each Seller is, and at all times since January 1, 2011 has been, in compliance in all material respects with each Law that is or was applicable to it, the Business or to the conduct of ownership, operation, management, leasing or use of any of the Acquired Assets; (ii) to the Knowledge of Parent, no event has occurred or circumstance currently exists that (with or without notice or lapse of time, or both) constitutes or will result in a violation by any Seller of, or a failure on the part of any Seller to comply with, any Law that is or was applicable to it, the Business or to the conduct of ownership, operation, management, leasing or use of any of the Acquired Assets; and (iii) no Seller has received, at any time since January 1, 2011, any written notice or other communication from any Governmental Entity or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply by any Seller with, any Law that is or was applicable to it, the Business or to the conduct of ownership, operation, management, leasing or use of any of the Acquired Assets, except in the case of (i), (ii) or (iii) as would not reasonably be expected to be, individually, or in the aggregate, material to the Business.

(g) Permits. Except as would not reasonably be expected to be material to the Business, the Sellers maintain all Permits that are necessary to permit the Sellers to lawfully conduct and operate the Business, and to own and use the Acquired Assets, in the manner consistent with the past practices of the Business. Parent has made available to Buyer an accurate and complete copy of each such required Permit. Each such material Permit is valid and in full force and effect. Each Seller is, and at all times since January 1, 2011 has been, in material compliance with the terms and requirements of each such Permit and no notice of material violation has been received from any Governmental Entity, no proceeding is pending or, to the Knowledge of Parent, threatened to revoke or limit any such Permit.

(h) Financial Statements.

(i) Schedule 3(h)(i) to the Disclosure Schedule contains accurate and complete copies of the Sellers' audited consolidating balance sheet and related statement of income and cash flows as of and for the fiscal year ended December 31, 2011, and the related notes thereto (the "Audited Financial Statements"); and the Sellers' unaudited balance sheet and the related statement of income and cash flows as of and for the six (6) month period ended June 30, 2012 (the "Interim Financial Statements" and, collectively with the Audited Financial Statements, the "Financial Statements"). Except as set forth therein or in the notes to the Audited Financial Statements, the Financial Statements were prepared from the books and records of the Sellers in accordance with GAAP applied on a consistent basis and fairly present, in all material respects, the financial position, results of operations and cash flows of the Sellers as of the dates and for the periods covered thereby (except in the case of the Interim Financial Statements, subject to normal year-end adjustments for recurring accruals, which shall not be material, either individually or in the aggregate).

(ii) Except as set forth on the Financial Statements, the Sellers do not have any Liabilities required under GAAP to be set forth on a balance sheet (absolute, accrued, contingent or otherwise), except for Liabilities incurred since the Balance Sheet Date (A) in the Ordinary Course of Business consistent with past practices, (B) that would not, individually or in the aggregate, reasonably be expected to be material to the Business, (C) in connection with this Agreement, the DIP Facility or in connection with the transactions expressly contemplated by this Agreement, including the filing of the Chapter 11 Case, or (D) for future performance under any Contracts to which any of the Sellers is a party or bound that were entered into in the Ordinary Course of Business. There has been no material changes in the Sellers' accounting policies during the periods covered by the Financial Statements, except as described in the notes to the Financial Statements.

(i) Absence of Certain Changes or Events.

(i) Excluding the effect of the filing and administration of the Chapter 11 Cases, since the Balance Sheet Date, the Sellers have carried on the Business in the Ordinary Course of Business.

(ii) Excluding the effect of the filing and administration of the Chapter 11 Cases, since the Balance Sheet Date, there has not been, with respect to the Sellers or the Business:

(A) any change, event, circumstance or effect that, by itself or in conjunction with all other such changes, whether or not arising in the Ordinary Course of Business, has had or would reasonably be expected to have a Material Adverse Effect;

(B) any Lien placed on any of the Acquired Assets, except Permitted Liens and Liens relating to the DIP Facility;

(C) any material Liability incurred by the Sellers, other than trade accounts payable, Liabilities for future performance under any Contracts to which any of the Sellers is a party or bound that were entered into in the Ordinary Course of Business, Liabilities incurred in connection with this Agreement or the transactions expressly contemplated by this Agreement, Liabilities incurred in connection with preparation for the Chapter 11 Cases, Liabilities incurred pursuant to the DIP Facility and other Liabilities arising in the Ordinary Course of Business; or

(D) any purchase, license, sale or other disposition, or any agreement or other arrangement for the purchase, license, sale or other disposition, of any of the Acquired Assets, other than in the Ordinary Course of Business and consistent with past practice.

(iii) Since the Balance Sheet Date, no Seller has, other than as contemplated by this Agreement:

(A) deferred the payment of any accounts payable outside the Ordinary Course of Business that would constitute Assumed Liabilities or provided any discount, accommodation or other concession outside the Ordinary Course of Business in order to accelerate or induce the collection of any receivable that would constitute Acquired Assets; or

(B) incurred indebtedness for borrowed money, entered into any capital lease or guaranteed any such indebtedness that would constitute Assumed Liabilities.

(j) Environmental Matters.

Asset: Except as set forth on Schedule 3(j) and except with respect to any Excluded

(i) Each Seller and the Business is, and has been, in compliance with all applicable Environmental Laws in all material respects.

(ii) The Acquired Real Property is, and during the applicable Seller's lease or operation, has been, in compliance with all applicable Environmental Laws in all material respects.

(iii) There is no Environmental Claim pending or, to the Knowledge of Parent, threatened against or affecting any Seller or any Acquired Real Property that is or would reasonably be expected to be material to the Business.

(iv) No Seller has received any written notice of or entered into or assumed by Contract or operation of any Law or otherwise, any material obligation or liability under any order, Decree, settlement, Litigation, judgment or injunction relating to or arising under Environmental Laws.

(v) There has been no material Release in violation of Environmental Law by any Seller, or to the Knowledge of Parent, by any third party, of any Hazardous Substance in, on, at, under or from any Acquired Real Property.

(vi) Parent has made available correct and complete copies of all material environmentally related audits, studies, reports, analyses and results of investigations that have been performed with respect to the Acquired Real Property within the last five (5) years and that are in its possession or control.

(k) Material Contracts.

(i) Schedule 3(k)(i) to the Disclosure Schedule sets forth the following Contracts to which any Seller is a party and which relate to the Business (collectively, the "Material Contracts"): (A) any Contract (or group of related Contracts) for the lease of personal property to or from any Person; (B) any Contract (or group of related Contracts) entered into outside of the Ordinary Course of Business for the purchase or sale of Inventory or other raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services; (C) any Contract for the delivery of goods or services (other than employment-related Contracts) between Parent, on the one hand, and any director, officer, employee or Affiliate of Parent or any Person controlled by any director, officer, employee or Affiliate of Parent, on the other hand; (D) any Contract which prohibits or restricts any Seller from freely engaging in business (including the Business) anywhere in the world; (E) any collective bargaining agreement, or other Contract with any labor organization, union or association, applicable to the Business; (F) any Contract for the employment of any individual on a full-time, part-time, consulting, or other basis providing annual compensation (whether in base salary, commission or bonus) in excess of \$250,000; (G) any guaranty or undertaking to be liable for the debts of others; (H) any other Contract (or group of related Contracts) the performance of which, in the 12 months preceding the Agreement Date has resulted in, or in the 12 months following the Agreement Date would reasonably be expected to result in, consideration or payment in excess of \$500,000 per annum to or from any of the Sellers; (I) any Contract relating to ownership of or investments in any other Person (including investments in joint ventures and minority equity investments but excluding accounts receivable or other forms of trade credit); (J) all Contracts relating to Intellectual Property Licenses of any Seller which would reasonably be expected to result in, consideration or payment in excess of \$500,000 per annum to or by any of the Sellers; (K) each asset purchase agreement, stock purchase agreement or other Contract entered into since January 1, 2011 governing the acquisition or disposition of Assets or other property where the consideration paid or received for such Assets or other property exceeded \$1,000,000 (whether in cash, stock or otherwise); (L) each joint venture agreement, investment agreement, operating agreement or other Contract governing a material joint venture or investment of the Business (other than the organizational documents of any Seller); (M) any Contract or consent decree with or from any Governmental Entity; and (N) all other Contracts which are material to the Business or which are required for the continued operation of the Business in the Ordinary Course of Business, except in the cases of clauses (A) and (B), for Contracts terminable on less than 90 days' notice without cost or penalty to the applicable Seller or which, in the 12 months

preceding the Agreement Date have resulted in, or in the 12 months following the Agreement Date would reasonably be expected to result in, consideration or payment of less than \$500,000 per annum to or from any of the Sellers.

(ii) Parent has delivered or made available to Buyer an accurate and complete copy of each written Material Contract and a written summary setting forth the terms and conditions of each oral Material Contract. With respect to each Material Contract that is an Assumed Contract: (A) the Contract is in full force and effect and constitutes the entire agreement by and between the parties thereto; (B) to the Knowledge of Parent, the Contract will continue to be legal, valid, binding, enforceable and in full force and effect on identical terms following the consummation of the transactions contemplated hereby; (C) to the Knowledge of Parent, no party has repudiated any provision of the Contract or given written notice that the Contract has terminated or will be terminating; (D) excluding the effect of the filing and administration of the Chapter 11 Cases, no Seller is in breach or default in any material respect under the Contract and, to the Knowledge of Parent, the other parties to the Contract are not in breach or default in any material respect thereunder; and (E) except as set forth in the Sale Order, the assumption of the Contract by Sellers, and the assignment of the Contract to Buyer, will not result in any penalty, premium, or variation of the rights, remedies, benefits or obligations of any party thereunder.

(l) Intellectual Property.

Except as set forth on Schedule 3(l):

(i) The Sellers own all right, title and interest in, or have a license to use, all material Acquired Intellectual Property. Set forth on Schedule 1.2 to the Disclosure Schedule is a true and complete list of all (A) Acquired Intellectual Property owned by the Sellers and (B) Acquired Intellectual Property licensed by the Sellers, that is material to the operation of the Business. To the Knowledge of Parent, there exists no loss, abandonment, cancellation, termination or expiration of any such Acquired Intellectual Property.

(ii) To the Knowledge of Parent, the operation of the Business and the design, development, use, manufacture, sale, license or provision of any product and service of the Sellers does not materially infringe or violate any of the Intellectual Property rights of any other Person. No Seller has received any written claim or notice, or been involved in any Litigation, regarding infringement or potential infringement of any Intellectual Property rights. To the Knowledge of Parent, no Seller is using any confidential information or trade secrets of any third party without the authorization, license or consent of such party, the use of which is material to the Business. There are no royalties, honoraria, fees or other payments payable by any Seller to any Person by reason of the ownership, use, license, sale, or disposition of the Acquired Intellectual Property.

(iii) To the Knowledge of Parent, there is no material unauthorized use, infringement or misappropriation of any Acquired Intellectual Property by any third party, including any employee of any Seller.

(m) Employee Matters; Employee Benefit Plans.

(i) With respect to each Covered Employee, Parent has provided or made available to Buyer a list (the "Employee List") setting forth (i) name; (ii) department/function; (iii) title or job/position; (iv) job designation (*i.e.*, salaried or hourly); (v) location of employment and employer; (vi) employment status (active, on leave or on unpaid leave); (vii) annual base rate of compensation and target bonus amount for the current fiscal year to which he or she is entitled, including any retention, severance, change of control or similar plans or arrangements, and any bonus amount that he or she has received for the fiscal year immediately prior to the Agreement Date; and (viii) if applicable, any other material, individual specific provisions relating to such person's employment (*e.g.*, golden parachute, etc.).

(ii) Each Covered Employee is employed at will and may terminate his or her employment or be terminated from such employment at any time for any or no reason with or without prior notice except as may be required by applicable Law.

(iii) Schedule 3(m)(iii) to the Disclosure Schedule contains a complete and correct list of each material Employee Benefit Plan that covers or applies to any of the Covered Employees. With respect to each such Employee Benefit Plan, Schedule 3(m)(iii) to the Disclosure Schedule identifies each entity whose current or former employees, directors or other service providers are covered by or entitled to benefits under such Employee Benefit Plan.

(iv) Parent has made available to Buyer true, complete and correct copies of each of the following documents for each Assumed Benefit Plan (1) the Assumed Benefit Plan, the related trust agreement (if any) and any other related documents (including all amendments to such Assumed Benefit Plan and related documents); (2) the three most recent annual reports, actuarial reports, and financial statements, if any; and (3) the most recent summary plan description, together with each summary of material modifications, required under ERISA with respect to such Assumed Benefit Plan, and all material employee communications relating to such Assumed Benefit Plan.

(v) Neither the Sellers, nor any Affiliate, nor any ERISA Affiliate has ever contributed to or had an obligation to contribute to or incurred any liability in respect of, any "multiemployer plan" (as defined in Section 3(37) of ERISA), a "multiple employer welfare arrangement" (as defined in Section 3(40) of ERISA).

(vi) Except as set forth on Schedule 3(m)(vi) to the Disclosure Schedule, no Seller is a party to any labor or collective bargaining agreement and there are no labor or collective bargaining agreements that pertain to the employees of the Sellers. No labor organization or group of employees of the Sellers has made a pending demand for recognition, and there are no representation proceedings or petitions seeking a

representation currently pending or, to the Knowledge of Parent, threatened to be brought or filed with the National Labor Relations Board or other labor relations tribunal. There is no organizing activity involving the Sellers pending, or to the Knowledge of Parent, threatened by any labor organization or group of employees of the Sellers. There are no strikes, work stoppages, slowdowns, lockouts or similar labor disputes, unfair labor practice charges, arbitrations, material grievances, unfair employment practice charges or complaints, or other claims or complaints against the Sellers, pending or, to the Knowledge of Parent, threatened by or on behalf of any employee or group of employees of the Sellers.

(vii) Each Assumed Benefit Plan that is intended to be “qualified” within the meaning of Section 401(a) of the Code is so qualified (and each corresponding trust is exempt under Section 501 of the Code) and has received or is the subject of a favorable determination letter, opinion letter, or advisory letter from the IRS relating to the most recently completed IRS remedial amendment period cycle (“RAP Cycle”) applicable thereto covering all of the applicable provisions on the IRS cumulative list of covered qualification requirements for such RAP cycle, and to the Knowledge of Parent, nothing has occurred that would reasonably be expected to adversely affect the qualified status of any Assumed Benefit Plan (or the exempt status of any related trust) or require the filing of a submission under the IRS’s employee plans compliance resolution system (“EPCRS”) or the taking of other corrective action pursuant to EPCRS in order to maintain such qualified (or exempt) status. To the Knowledge of Parent, no Assumed Benefit Plan is the subject of any pending correction or application under EPCRS. Each of the Assumed Benefit Plans that is intended to satisfy the requirements of Section 125 or 501(c)(9) of the Code satisfies such requirements in all material respects.

(viii) Neither Parent nor any other Seller, nor any ERISA Affiliate, nor any of the Assumed Benefit Plans, nor any trust created thereunder, nor any trustee or administrator thereof has engaged in a transaction with respect to an Assumed Benefit Plan in connection with which any Seller, any ERISA Affiliate, any of the Assumed Benefit Plans or any such trust could, (either directly any contractual indemnification or contribution obligation protecting any fiduciary, or indirectly), be subject to any material civil liability or penalty pursuant to Title I of ERISA, a tax imposed pursuant to Chapter 43 of the Code, or any other liability.

(ix) All material contributions required to have been made under the terms of any Assumed Benefit Plan or pursuant to ERISA and the Code have been timely made in respect of each Assumed Benefit Plan.

(x) Each Assumed Benefit Plan that provides deferred compensation subject to Section 409A of the Code complies with Section 409A of the Code in all material respects (and has so complied for the entire period during which Section 409A of the Code has applied to such Plan).

(xi) No Assumed Benefit Plan subject to Title I of ERISA, if any, holds any “employer security” or “employer real property” (each as defined in Section 407(d) of ERISA).

(xii) There are no material claims pending, or, to the Knowledge of Parent, threatened or anticipated (other than routine claims for benefits) against or involving any Assumed Benefit Plan, the assets of any Assumed Benefit Plans or against the Sellers, any Affiliate or any ERISA Affiliate with respect to any Assumed Benefit Plan.

(xiii) Each Assumed Benefit Plan that is a "group health plan" (as defined in Code Section 5000(b)(1) or Title I of ERISA) has been operated in compliance in all material respects with (i) the group health plan continuation coverage requirements of Section 4980B of the Code and Sections 601 through 608 of ERISA ("COBRA Coverage") or similar state Law, (ii) Section 4980D of the Code, and (iii) Title I of ERISA, in each case to the extent applicable. Each of the material Employee Benefit Plans set forth on Schedule 3(m)(iii) and each Assumed Benefit Plan has been operated and administered in all material respects in accordance with its terms and applicable Law. No Assumed Benefit Plan exists which obligates the Sellers to provide benefits (whether or not insured) to any current or former employee, consultant or other service provider of or to the Sellers following such current or former employee's or consultant's termination of employment or consultancy with the Sellers, other than (i) COBRA Coverage or coverage mandated by state Law, or (ii) death benefits or retirement benefits under any "employee pension benefit plan" (as defined in Section 3(2) of ERISA). No Assumed Benefit Plan is funded through a "welfare benefit fund" as defined in Section 419 of the Code

(xiv) Neither the execution of this Agreement or any other agreement, nor the consummation of the transactions contemplated hereby or thereby, will (either alone or together with any other event) result in or is a precondition to (i) any current or former employee, director or other service provider of or to the Sellers or any Affiliate becoming entitled to severance pay or any similar payment, (ii) the acceleration of the time of payment or vesting of, or an increase in the amount of, any compensation due to any current or former employee, director or other service provider of or to the Sellers or any Affiliate, or (iii) the renewal or extension of the term of any agreement regarding the compensation of any current or former employee, director or other service provider of or to the Sellers or any Affiliate.

(n) Taxes.

(i) Each Seller has filed or caused to be filed, and with respect to Tax Returns due between the date of this Agreement and the Closing Date, will timely file (including any applicable extensions) all material Tax Returns required to be filed with respect to the Acquired Assets; (ii) all such Tax Returns are, or in the case of such Tax Returns not yet filed, will be, true, complete and correct in all material respects; and (iii) all material Taxes of the Sellers (whether or not reflected on any such Tax Returns) relating to the Acquired Assets and attributable to a Pre-Closing Tax Period have been, or in the case of Taxes the due date for payment of which is between the date of this Agreement and the Closing Date will be, timely paid in full, other than Taxes that have been reserved or accrued on the Interim Financial Statements.



(ii) There are no Liens for a material amount of Taxes, except for statutory Liens with respect to Taxes not yet due and payable with respect to any of the Acquired Assets.

(iii) All material amounts required to be withheld by each Seller (including from employees of the Business for income Taxes and social security and other payroll Taxes) have been collected or withheld, and either paid to the respective taxing authorities, or set aside in accounts for such purpose, or accrued or reserved on the Interim Financial Statements.

(iv) There is no claim pending or, to the Knowledge of Parent, proposed or threatened with respect to a material amount of Taxes of the Business and the Acquired Assets.

(v) No Seller has waived any statute of limitations in respect of a material amount of Taxes associated with the Business and the Acquired Assets.

(vi) No Seller is a foreign Person for purposes of Section 1445 of the Code.

(o) Brokers' Fees. Other than Perella Weinberg Partners L.P. and Houlihan Lokey Capital, Inc., Sellers have no obligation to pay any fees, commissions or other similar compensation to any broker, finder, investment banker, financial advisor or other similar Person in connection with the transactions contemplated by this Agreement.

(p) Accounts Receivable; Inventory.

(i) The accounts receivable shown in the Interim Financial Statements and that constitute Acquired Assets arose in the Ordinary Course of Business. Allowances for doubtful accounts are adequate and have been prepared in accordance with GAAP and in accordance with the past practices of the Sellers. The accounts receivable of the Business constituting Acquired Assets arising after the Balance Sheet Date and prior to the Closing Date arose or will arise in the Ordinary Course of Business. The accounts receivable of the Business constituting Acquired Assets are not subject to any material claim of offset, recoupment, set off or counter-claim and, to the Knowledge of Parent, there are no specific facts or circumstances (whether asserted or unasserted) that could give rise to any such claim in any such case, except to the extent otherwise reflected in the allowances for doubtful accounts as provided for in the Interim Financial Statements or, with respect to accounts receivable arising after the Balance Sheet Date and prior to the Closing Date, as determined in the Ordinary Course of Business. The Business does not have any accounts receivable from any director, officer or employee or Affiliate of any Seller.

(ii) The Inventory is of a quality and quantity usable and merchantable and, with respect to finished goods, of a quality saleable, in the Ordinary Course of Business, except for obsolete items or as otherwise reflected in the reserves in the Financial Statements.

(q) Customers. Listed in Schedule 3(q) of the Disclosure Schedule are the ten largest customers of the Business, taken as a whole, by revenue for the seven months ended July 31, 2012 and set forth next to each such customer is the approximate percentage of net revenue of the Business represented by such customer for such period. As of the Agreement Date, no Seller has received any written notice, or, to the Knowledge of Parent, has any reason to believe, that any of the customers listed on Schedule 3(q) of the Disclosure Schedule has materially decreased since the Balance Sheet Date, or will materially decrease, its purchase of the products, equipment, goods and services of the Business. From the Balance Sheet Date to the Agreement Date, to the Knowledge of Parent, there has been no termination, cancellation, or material limitation of, or any material modification or change in, the business relationship between any Seller and any customer listed on Schedule 3(q) of the Disclosure Schedule.

(r) Suppliers. Listed in Schedule 3(r) of the Disclosure Schedule are the ten largest suppliers of services, raw materials, supplies, merchandise and other goods for the Business, taken as a whole, by cost for the seven months ended July 31, 2012. No Seller has received any written notice, or, to the Knowledge of Parent, has any reason to believe, that any such supplier will not provide such services or sell such raw materials, supplies, merchandise and other goods to the Business at any time after the Closing on terms and conditions materially similar to those used in its current sales to the Sellers, subject only to general and customary price increases or decreases and the effects of the filing and administration of the Chapter 11 Cases.

(s) Disclosure. Except for the express representations and warranties contained in this Section 3, neither Parent nor any other Person makes (and Buyer is not relying upon) any other express or implied representation or warranty with respect to Sellers, the Business, the Acquired Assets (including the value, condition or use of any Acquired Asset), the Assumed Liabilities or the transactions contemplated by this Agreement, in the Related Agreements (except for any express representations and warranties contained in any such Related Agreements) or in any other agreement, document or instrument to be delivered in connection herewith or therewith, and Parent disclaims any other representations or warranties, whether made by Parent, any Affiliate of Parent or any of their respective officers, directors, employees, agents or Representatives. Without in any way limiting the foregoing and except for the representations and warranties contained in this Section 3 (and, as applicable, the representations and warranties contained in any Related Agreement), and except as the following disclaimers may be limited by fraud or willful misconduct, Parent (i) expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute or otherwise, relating to the condition of the Acquired Assets (including any implied or expressed warranty of title, merchantability or fitness for a particular purpose, the physical condition of any personal or real property comprising a part of the Acquired Assets or which is the subject of any Contract to be assigned to Buyer at the Closing, the environmental condition or any other matter relating to the physical condition of any real property or improvements, the zoning of any such real property or improvements, the value of the Acquired Assets (or any portion thereof), the transferability of the Acquired Assets, the terms, amount, validity or enforceability of any Assumed Liabilities, the title of the Acquired Assets (or any portion thereof), any customer's or supplier's response to the execution of this Agreement or the consummation of the transactions contemplated hereunder, the probable success or profitability of the ownership, the use or operation of the Business and the Acquired Assets by Buyer after the Closing, or any other

matter or thing relating to the Acquired Assets or any portion thereof), and (ii) expressly disclaims all liability and responsibility for any projection, forecast, statement or information made, communicated or furnished (orally or in writing) to Buyer or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant or Representative of Parent or any of their Affiliates).

Section 4. Buyer's and Guarantor's Representations and Warranties. Each of Buyer and Guarantor represents and warrants, jointly and severally, to Sellers as follows:

(a) Organization of Buyer and Guarantor. Each of Buyer and Guarantor is duly incorporated or formed (as applicable), validly existing and in good standing (or the equivalent thereof) under the Laws of the jurisdiction of its incorporation or formation and has all requisite corporate or similar power and authority to own, lease and operate its Assets and to carry on its business as now being conducted.

(b) Authorization of Transaction.

(i) each of Buyer and Guarantor has full power and authority (including full corporate or other entity power and authority) to execute and deliver this Agreement, the Related Agreements and all other agreements contemplated in this Agreement to which it is a party and to perform its obligations hereunder and thereunder;

(ii) the execution, delivery, consummation and performance of this Agreement, the Related Agreements and all other agreements contemplated in this Agreement to which Buyer or Guarantor, as applicable, is a party have been duly authorized by Buyer and Guarantor;

(iii) this Agreement has been, and each Related Agreement to which Buyer or Guarantor is a party will be, at the Closing, duly and validly executed and delivered by Buyer or Guarantor, as applicable; and

(iv) this Agreement, and the Related Agreements to which Buyer or Guarantor is a party will, when executed, assuming, in each case, the due authorization, execution, and delivery thereof by the other parties thereto, constitute the valid and binding obligation of Buyer and Guarantor, enforceable against Buyer and Guarantor in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar laws relating to creditors' rights and general principles of equity.

(c) Noncontravention. Subject to receipt of any consents required by the HSR Act and the expiration or earlier termination of all waiting periods thereunder, neither the execution and delivery of this Agreement or the Related Agreements, nor the consummation of the transactions contemplated in this Agreement or the Related Agreements will (i) conflict with or result in a breach of the certificate of incorporation or bylaws or other organizational documents of Buyer or Guarantor, (ii) violate any Law or Decree to which Buyer or Guarantor is, or its respective Assets or properties are, subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate,

terminate, modify or cancel, or require any notice under any material Contract to which Buyer or Guarantor is a party or by which it is bound, except, with respect to clause (ii), for any violations as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby. Subject to receipt of any consents required by the HSR Act and the expiration or earlier termination of all waiting periods thereunder, neither Buyer nor Guarantor is required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any Governmental Entity or third party in order for the Parties to consummate the transactions contemplated by this Agreement.

(d) Litigation. As of the Agreement Date, there is no Litigation pending or, to the Knowledge of Guarantor, threatened against the Buyer or Guarantor before any Governmental Entity, which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby or would reasonably be expected to prevent, restrict or delay the consummation of the transactions contemplated in this Agreement or any Related Agreement.

(e) Brokers' Fees. Neither Buyer nor Guarantor have any obligation to pay any fees, commissions or other similar compensation to any broker, finder, investment banker, financial advisor or other similar Person in connection with the transactions contemplated by this Agreement, other than The Blackstone Group.

(f) Financial Capacity. Buyer and Guarantor (i) have, or at the Closing will have, sufficient funds (without giving effect to any unfunded financing regardless of whether any such financing is committed) available to pay the Initial Purchase Price, the Final Purchase Price and any expenses incurred by Buyer and Guarantor in connection with the transactions contemplated by the Related Agreements, including the Buyer Payable Cure Amount; and (ii) have, or at the Closing will have, the resources and capabilities (financial or otherwise) to perform their respective obligations hereunder, including the obligation to timely pay, honor and discharge the Assumed Liabilities after the Closing.

(g) Condition of the Business. Notwithstanding anything contained in this Agreement to the contrary, Buyer acknowledges and agrees that Sellers are not making any representations or warranties whatsoever, express or implied, beyond those expressly given by Parent in Section 3 hereof (as modified by the Disclosure Schedule hereto as supplemented or amended pursuant to Section 5(m)), and Buyer acknowledges and agrees that, except for the representations and warranties contained therein, the Acquired Assets and the Business are being transferred on a "where is" and, as to condition, "as is" basis. Buyer further represents that neither Sellers nor any of their Affiliates nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding Sellers or any of their Affiliates, the Business or the transactions contemplated by this Agreement not expressly set forth in this Agreement, and none of Sellers, any of their Affiliates or any other Person will have or be subject to any liability to Buyer or any other Person, absent fraud any willful misconduct, resulting from the distribution to Buyer or its Representatives or Buyer's use of, any such information, including any confidential memoranda distributed on behalf of Sellers relating to the Business or other publications or data room information provided to Buyer or its Representatives, or any other document or information in any form provided to

Buyer or its Representatives in connection with the sale of the Business and the transactions contemplated hereby. Buyer acknowledges that it has conducted to its satisfaction its own independent investigation of the Business and, in making the determination to proceed with the transactions contemplated by this Agreement, Buyer has relied on the results of its own independent investigation.

(h) Adequate Assurances Regarding Executory Contracts. Each of Buyer and Guarantor is and will be capable of satisfying the conditions contained in Sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assumed Contracts.

Section 5. Pre-Closing Covenants. The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing (except as otherwise expressly stated to apply to a different period):

(a) Commercially Reasonable Efforts; Cooperation. Subject to the approval of the Bankruptcy Court and except as otherwise set forth herein (including in Sections 5(n)(i) and 5(n)(ii)), each of the Parties will (and Parent shall cause the Selling Affiliates to) use its commercially reasonable efforts to take all action and to do all things necessary in order to consummate and make effective the transactions contemplated by this Agreement at the earliest practicable date (including satisfaction, but not waiver, of the conditions to the obligations of the Parties to consummate the transactions contemplated in this Agreement set forth in Section 7).

(b) Notices and Consents.

(i) Except as otherwise set forth herein, Parent and Buyer shall (and Parent shall cause the Selling Affiliates to) use their commercially reasonable efforts to obtain all material authorizations, consents, orders and approvals of all Governmental Entities and officials that may be or become necessary for its execution and delivery of, and the performance of its obligations pursuant to, this Agreement and will cooperate with each Party in seeking to obtain all such authorizations, consents, orders and approvals.

(ii) Parent shall (and Parent shall cause the Selling Affiliates to) give such notices to third parties and use their commercially reasonable efforts to obtain all Necessary Consents.

(iii) Buyer shall cooperate and use all commercially reasonable efforts to assist Sellers in giving such notices and obtaining such consents.

(iv) Subject to Section 2(h), and subject to Section 7(a)(ix) as it relates to Buyer's obligation to consummate the transactions contemplated by this Agreement, in the event Sellers fail to obtain any approvals or consents, Sellers shall have no liability to Buyer as a result of any such failure, provided that none of the covenants and agreements contained in this Section 5(b) have been breached by Parent.

(c) Conduct of the Business Pending the Closing. From the Agreement Date until the earlier of the termination of this Agreement in accordance with its terms or the Closing Date, Parent shall (and Parent shall cause the Selling Affiliates to) conduct the Business in the Ordinary Course of Business, subject to any applicable orders of the Bankruptcy Court,

requirements or limitations under the DIP Facility and the Budget, except (v) as set forth on Schedule 5(c), (w) as otherwise expressly provided for in this Agreement (including Section 5(h) hereof), (x) as required by Law or by Final Order, (y) in connection with a Permitted Restructuring Transaction, or (z) with the prior written consent of Buyer (which consent shall not be unreasonably withheld, delayed or conditioned). Without limiting the generality of the foregoing, but subject to the limitations set forth in clauses (v) through (z) in the preceding sentence, from the Agreement Date until the earlier of the termination of this Agreement in accordance with its terms or the Closing Date, subject to any applicable orders of the Bankruptcy Court and the Budget, Parent shall (and Parent shall cause the Selling Affiliates to):

(i) use commercially reasonable efforts to preserve the Business intact and preserve the goodwill of and relationships with Governmental Entities, customers, suppliers and employees and others having business dealings with the Sellers and/or the Business;

(ii) continue making expenditures in the Ordinary Course of Business, including with respect to sales, marketing and development activities;

(iii) use commercially reasonable efforts to maintain the Acquired Assets in good working condition and repair (normal wear and tear excepted), pay expenses and payables of the Business, collect receivables of the Business, and repair and continue normal maintenance of the Improvements, Furnishings and Equipment (normal wear and tear excepted), to the extent payable pursuant to the Budget;

(iv) (A) comply in all material respects with all Laws and Assumed Contracts, (B) maintain all Assumed Permits, and (C) pay all applicable Taxes that Sellers are required to pay (taking into account any relief afforded pursuant to the Chapter 11 Cases) to the extent payable pursuant to the Budget;

(v) not enter into any transaction relating to (A) the acquisition of fixed Assets for use in the Business that will constitute Acquired Assets in excess of \$2,000,000 or (B) the incurrence of Liabilities that will constitute Assumed Liabilities in excess of \$750,000, in each case, except as set forth on Schedule 5(c)(v);

(vi) not sell, lease, transfer, license, alienate, waive, cancel or dispose of any Acquired Asset except for immaterial amounts of personal property sold or otherwise disposed of in the Ordinary Course of Business;

(vii) use commercially reasonable efforts to transfer, assign, record or perfect in its name good title to any Acquired Assets (other than as noted on Schedule 5(c)(vii) to the Disclosure Schedule) that is not presently held or recorded in its name;

(viii) not merge or consolidate with or into any legal entity, dissolve, liquidate, or otherwise terminate its existence;

(ix) not subject any of the Acquired Assets to any Lien (other than Permitted Liens or any Lien under the DIP Facility, to the extent applicable);

(x) not materially modify or amend any Assumed Contract (including to add or provide for any Extraordinary Provision) or modify, waive, release or assign any material rights or claims thereunder, in each case whether in connection with any extension, renewal or replacement of such Assumed Contract, or otherwise;

(xi) not enter into any Contract that (A) would have been required to be listed on Schedule 3(k)(i) had it existed as of the Agreement Date, except in the Ordinary Course of Business, or (B) has Extraordinary Provisions;

(xii) not enter into any Contract that provides for "exclusivity" or any similar requirement or under which Buyer would after the Closing be restricted in any respect, with respect to distribution, licensing, marketing, purchasing or development of products or services;

(xiii) not engage in (A) any trade loading practices or any other promotional sales or discount activity with any customers or distributors with the effect of accelerating to pre-Closing periods sales to customers or distributors that would otherwise be expected (based on past practice) to occur in post-Closing periods, (B) any practice (including providing any discount, accommodation or other concession outside the Ordinary Course of Business) which would have the effect of accelerating to pre-Closing periods collections of receivables that would otherwise be expected (based on past practice) to be made in post-Closing periods, (C) any practice which would have the effect of postponing to post-Closing periods payments with respect to any Acquired Assets or Assumed Liabilities that would otherwise be expected (based on past practice) to be made in pre-Closing periods or (D) any other promotional sales, discount activity or deferred revenue activity, in each case in this clause (D), in a manner outside the Ordinary Course of Business;

(xiv) not otherwise materially alter the terms of any accounts payable or accounts receivable outside the Ordinary Course of Business;

(xv) not (A) reject or terminate any Contract related to the Business or seek Bankruptcy Court approval to do so, or (B) fail to use commercially reasonable efforts to oppose any action by a third party to terminate (including any action by a third party to obtain Bankruptcy Court approval to terminate) any Contract related to the Business; provided that, prior to the Closing Date, Sellers may reject or terminate any Contract related to the Business (Y) that is both not material to the Business and is readily replaceable (and so replaced) at not more than the same cost, without disruption to the operation of the Business and otherwise on terms and conditions consistent with such rejected or terminated Contract, following consultation with Buyer regarding such rejection or termination, or (Z) after the Bankruptcy Court enters the Bidding Procedures Order, to the extent Buyer is provided written notice of any Seller's intention to reject or terminate any Contract (other than an Undisclosed Contract) at least five (5) Business Days prior to the filing of any motion with the Bankruptcy Court seeking to reject such Contract, and Buyer does not provide Parent written notice of its election to either (I) designate such Contract as an Assumed Contract within such five (5) Business Day period, or (II) reimburse such Seller for all reasonable costs incurred by Seller to

maintain such Contract until Buyer elects to designate, or not designate, such Contract as an Assumed Contract;

(xvi) With respect to any Acquired Asset and except to the extent required in connection with the DIP Order, not (A) agree to allow any form of relief from the automatic stay in the Chapter 11 Cases; or (B) fail to use reasonable best efforts to oppose any action by a third party to obtain relief from the automatic stay in the Chapter 11 Cases;

(xvii) except for in the Ordinary Course of Business, as currently in place or as set forth on the Disclosure Schedule, or as contemplated pursuant to this Agreement, not (A) increase or modify the compensation or benefits payable or to become payable to any Transferred Employee, (B) enter into, establish, adopt, amend, terminate or fund any Employee Benefit Plan, in respect of any present or former officer or employee or other similar service provider of or to the Sellers or their Affiliates, or (C) grant, pay, accrue or become liable to any present or former officer, employee or other similar service provider of or to the Sellers for any bonus, profit-sharing, incentive, severance, retirement, insurance, death, fringe benefit, retention, "change in control" or other extraordinary compensation (except for accruals under the terms of an Employee Benefit Plan as in effect on the Agreement Date);

(xviii) not take any action inconsistent with this Agreement, the Bidding Procedures, the Bidding Procedures Order or with the consummation of the transactions contemplated hereby;

(xix) refrain from making any capital expenditures outside of the Ordinary Course of Business, but in any event not to exceed, in the aggregate, \$7,500,000, other than emergency repairs;

(xx) except as required by GAAP, not make any change in accounting methods, principles or practices, with respect to Taxes or otherwise;

(xxi) not voluntarily pursue or seek a conversion of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code and/or the appointment of a trustee under chapter 11 or chapter 7 of the Bankruptcy Code; and

(xxii) not enter into a legally enforceable contract or agreement requiring it to do anything prohibited by this Section 5(c).

Notwithstanding anything contained in this Agreement to the contrary, in accordance with the Cash Management Order, Parent and the Selling Affiliates shall be permitted to maintain through the Closing Date the cash management systems of Parent and the Selling Affiliates as currently conducted by Parent and the Selling Affiliates, and periodically settle intercompany balances consistent with past practices (including through dividends and capital contributions). Nothing contained in this Agreement shall give Buyer, directly or indirectly, rights to control or direct the operations of the Business prior to the Closing Date.



(d) No Solicitation of Alternative Transactions until Entry of Bidding Procedures Order.

(i) Solely during the period commencing on the Agreement Date and continuing until the earlier of (x) the date the Bankruptcy Court has entered the Bidding Procedures Order and (y) the termination of this Agreement in accordance with its terms, Parent shall not, and shall cause the Selling Affiliates and its and their respective Representatives not to, and shall use its commercially reasonable efforts to cause its other Affiliates, equity holders and holders of funded indebtedness and their respective Representatives not to (it being understood that Parent has no power or ability to control or otherwise direct the actions of its other Affiliates, equity holders and holders of funded indebtedness and their respective Affiliates) directly or indirectly, (A) solicit, initiate, encourage, facilitate, respond to, or take any other action designed to solicit an agreement or understanding with any person (other than Buyer and its Affiliates and Representatives) concerning any transaction (or series of transactions) involving the direct or indirect sale, transfer or other disposition of any Acquired Assets (including through the sale of a majority of the outstanding equity interests of, or any merger of consolidation with, any Seller, or pursuant to any plan of reorganization or liquidation, or other financial and/or corporate restructuring of any Seller, or any similar transaction involving any or all of the Sellers) or any other transaction involving any Seller or Acquired Assets that could reasonably be expected to materially impede, interfere with or delay the consummation of, or materially alter the anticipated economic consequences of, the transactions contemplated hereby (an "Alternative Transaction"), (B) enter into negotiations with respect to, or execute, any letter of intent, agreement in principle, acquisition agreement or other agreement related to an Alternative Transaction, or (C) furnish non-public information to any person or entity with respect to an Alternative Transaction. Following entry of the Bidding Procedures Order, other than pursuant to and in compliance with the terms and conditions of the Bidding Procedures Order, in no event may Parent or its Selling Affiliates (or any of their respective Representatives) initiate contact with, or solicit or encourage submission of any inquiries, proposals or offers by, any Person (other than Buyer and its Affiliates, agents and Representatives) with respect to an Alternative Transaction or accept an offer or proposal from any Person (other than Buyer and its Affiliates, agents and Representatives) with respect to an Alternative Transaction.

(ii) If an Auction is conducted, and Buyer is not the prevailing party at the conclusion of such Auction (such prevailing party, the "Successful Bidder"), Buyer shall be required to serve as the back-up bidder if Buyer is the next highest or otherwise best bidder at the Auction (such party that is the next highest or otherwise best bidder at the Auction, the "Back-Up Bidder") and, if Buyer is the Back-Up Bidder, Buyer shall, notwithstanding Section 8(a)(x), be required to keep its bid to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be improved upon by Buyer in the Auction) open and irrevocable until the expiration of the Outside Back-Up Date, whereupon, except as provided in the immediately succeeding sentence, and absent Buyer's written agreement to extend the Outside Back-Up Date, this Agreement shall be deemed terminated pursuant to Section 8(a)(x) and Buyer shall be immediately entitled to the Expense

Reimbursement and Break-Up Fee, all to be paid in accordance with the terms and conditions of Section 8(c). Notwithstanding the foregoing, following the Auction, if the Successful Bidder fails to consummate the applicable Alternative Transaction prior to the expiration of the Outside Back-Up Date as a result of a breach or failure to perform on the part of such Successful Bidder, and Parent provides notice to Buyer in writing of such failure before the expiration of the Outside Back-Up Date, then, if Buyer is the Back-Up Bidder, this Agreement shall not be deemed terminated pursuant to Section 8(a)(x) and Buyer will be deemed to have the new prevailing bid, and Sellers will be authorized, without further order of the Bankruptcy Court, to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be improved upon by Buyer in the Auction) with Buyer; provided, however, for the avoidance of doubt, in addition to, and not in lieu of, Buyer's rights pursuant to Section 8 (including Buyer's right to terminate this Agreement pursuant to Section 8(a)(iv) or Section 8(a)(x) and to receive all applicable remedies pursuant to Section 8(c)), in the event that this Agreement is thereafter terminated by Buyer pursuant to Section 8(a)(ii) (solely as a result of the conditions set forth in Sections 7(a)(iii) or (viii) becoming incapable of fulfillment other than as a result of a breach by Buyer), Parent shall (and shall cause the Selling Affiliates to), within two (2) Business Days after such termination, pay to Buyer the Expense Reimbursement.

(e) Notice of Developments. To the extent legally permissible, from the Agreement Date until the Closing, each of Parent and Buyer will give prompt written notice (the "Development Notice") to the other Party of (i) the existence of any fact or circumstance, or the occurrence of any event, which could be reasonably likely to cause a condition to a Party's obligations to consummate the transactions contemplated in this Agreement as set forth in Section 7, not to be satisfied as promptly as practicable, and (ii) the receipt of any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement (such occurrence, event, or circumstance, including the reasonably foreseeable consequences thereof, a "Development"); provided, however, that the delivery of any Development Notice pursuant to this Section 5(e) shall not be deemed to amend or supplement this Agreement, and the failure to deliver any Development Notice shall not constitute a waiver by any Party of any right or condition to the consummation of the transactions contemplated in this Agreement. If the notifying Party certifies (the "Development Certification") to the receiving Party that such Development has caused or will cause a condition to the receiving Party's obligations to consummate the transactions contemplated in this Agreement as set forth in Section 7 not to be satisfied, and that the receiving party is therefore entitled to terminate this Agreement pursuant to the applicable provisions of Section 8 without any Liability whatsoever (which, for the avoidance of doubt, means that with respect to Buyer, if Buyer were to terminate following receipt of a Development Notice, Buyer would be entitled to retain the Deposit) and the receiving Party fails to exercise its right to terminate this Agreement within the period of thirty (30) Business Days referred to in Section 8(a)(ii) or Section 8(a)(iii), as applicable, the Development Notice will be deemed to have amended the Disclosure Schedules, to have qualified the representations and warranties of such Party, and to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of the Development, provided, however, that notwithstanding any such amendment, qualification or cure, the underlying Development included in such Development Notice may still form the basis of a right to terminate pursuant to the applicable provisions of Section 8 to the

extent that additional occurrences, events or circumstances exist or occur that, when taken together with the Development described in such Development Notice, would give rise to a right to terminate this Agreement pursuant to the applicable provisions of Section 8.

(f) Access.

(i) Prior to the Closing, Parent shall (and shall cause the Selling Affiliates to), upon reasonable advance written request by Buyer, permit Buyer and its Representatives to have reasonable access during normal business hours, and in a manner so as not to interfere with normal business operations or violate any Law, to all premises, properties, personnel, Records and Contracts of the Business for the purpose of evaluating and reviewing the Business, the Acquired Assets and Assumed Liabilities; provided, however, that, for avoidance of doubt, the foregoing shall not require any Party to waive, or take any action with the effect of waiving, its attorney-client privilege or any confidentiality obligation to which it is bound with respect thereto or take any action in violation of applicable Law. Except in response to a request contemplated by the first sentence of this Section 5(f)(i), during the period from the Agreement Date and ending on the Closing Date, Buyer shall not, and shall cause its Representatives not to, contact any customers, suppliers or licensors of the Business in connection with, or pertaining to, the Business or any subject matter of this Agreement, except with the prior written consent of Parent, which consent shall not be unreasonably withheld, delayed or conditioned.

(ii) All information obtained pursuant to Section 5(f)(i) shall be subject to the terms and conditions of the Confidentiality Agreement.

(g) Press Releases and Public Announcements. Prior to the Closing, no Party shall issue any press release or make any public announcement relating to the existence or subject matter of this Agreement without the prior written approval of the other Parties; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable Law (including the Bankruptcy Code) or the rules of any stock exchange on which such Party's securities are traded (provided that the disclosing Party shall use all commercially reasonable efforts to consult with the non-disclosing Party with respect to the text thereto prior to making the disclosure).

(h) Bankruptcy Court Matters.

(i) This Agreement is subject to approval by the Bankruptcy Court and the consideration by Parent and the Bankruptcy Court of higher or better Competing Bids. From and after the date of entry of the Bidding Procedures Order by the Bankruptcy Court and until the earlier of: (i) the consummation of the transactions contemplated by this Agreement and (ii) the conclusion of any bid process described in the Bidding Procedures Order, Parent is permitted to (a) cause their 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 Parent, any Selling Affiliate, the Acquired Assets and/or the Business and (b) respond to any inquiries or offers to purchase all or any part of the Acquired Assets or the Business and perform any and all

other acts related thereto which are required under the Bankruptcy Code or other Law, including supplying information relating to the Business and the Assets of Parent and its Subsidiaries to prospective buyers in accordance with the terms of the Bidding Procedures.

(ii) Parent shall (and shall cause the Selling Affiliates to) use commercially reasonable efforts to pursue the entry of the Bidding Procedures Order and the Sale Order. Parent shall (and shall cause the Selling Affiliates to) use commercially reasonable efforts to comply (or obtain an order from the Bankruptcy Court waiving compliance) with all requirements under the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules in connection with obtaining approval of the Bidding Procedures Order and the Sale Order.

(iii) Buyer agrees that it will promptly take such actions as are reasonably requested by Parent to assist in obtaining entry of the Bidding Procedures Order, the Sale Order and any other order of the Bankruptcy Court reasonably necessary to consummate the transactions contemplated by this Agreement, including furnishing declarations, affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing adequate assurance of future performance by Buyer with respect to the Assumed Contracts, providing necessary assurances of performance by Buyer under this Agreement and demonstrating that Buyer is a "good faith" purchaser under section 363(m) of the Bankruptcy Code; provided, however, in no event shall Buyer or Parent be required to agree to any amendment of this Agreement.

(iv) As promptly as practicable following the execution of this Agreement (but no later than Three (3) Business Days after the Agreement Date), Parent shall (and shall cause the Selling Affiliates to) file the Sale Motion with the Bankruptcy Court, including all supporting pages, and shall use commercially reasonable efforts to have the Bankruptcy Court enter the Bidding Procedures Order within twenty-five (25) days from the Commencement Date, subject to the availability of the Bankruptcy Court (and only to the extent permitted by the relevant provisions of the Bankruptcy Rules and Local Bankruptcy Rules).

(v) Parent acknowledges and agrees that Buyer has expended considerable time and expense in connection with this Agreement, and the negotiation thereof, and the identification and quantification of Assets to be included in the Acquired Assets. In consideration thereof, the Sale Motion shall include a request from Sellers that the Bankruptcy Court approve the Expense Reimbursement and Break-Up Fee, as set forth in Section 5(d) and Section 8(c) hereof, as administrative priority expenses under sections 503(b) and 507(a)(1) of the Bankruptcy Code pursuant to the Bidding Procedures Order.

(vi) Parent shall (and shall cause the Selling Affiliates to) use commercially reasonable efforts to obtain entry by the Bankruptcy Court of the Sale Order no later than sixty (60) days after the Commencement Date (or as soon thereafter as the Bankruptcy Court's schedule permits in the event that Sellers timely moved the Bankruptcy Court to enter the Sale Order by the aforementioned deadline).

(vii) Parent shall (and shall cause the Selling Affiliates to) provide Buyer with copies of all motions, applications, pleadings, notices, proposed orders and other documents relating to the Acquired Assets, this Agreement or the transactions contemplated therein, at least two (2) Business Days prior to the filing thereof with the Bankruptcy Court, unless the exigencies of time prevent the period from being that long, so as to allow Buyer to provide reasonable comments for incorporation into same.

(viii) In the event the Sale Order is appealed, Buyer shall, and, subject to the Budget, Parent shall (and shall cause the Selling Affiliates to), use their respective commercially reasonable efforts to defend such appeal at their own cost and expense.

(ix) Parent further covenants and agrees that, after the entry of the Sale Order, the terms of any liquidation plan it submits to the Bankruptcy Court, or any other court for confirmation or sanction, shall not conflict with, supersede, abrogate, nullify or restrict the terms of this Agreement, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement.

(i) Bulk Transfer Laws. Buyer acknowledges that Sellers will not comply with the provisions of any bulk transfer laws of any jurisdiction in connection with the transactions contemplated by this Agreement, and hereby waives all claims related to the non-compliance therewith.

(j) Cure Amounts. Parent shall (and Parent shall cause the Selling Affiliates to) transfer and assign all Assumed Contracts to Buyer or an Affiliate of Buyer designated by Buyer, and Buyer or such designated Affiliate of Buyer shall assume all Assumed Contracts from Sellers, as of the Closing Date pursuant to section 365 of the Bankruptcy Code and the Sale Order. As promptly as practicable following the Agreement Date, Buyer and Parent shall (and Parent shall cause the Selling Affiliates to) use commercially reasonable efforts to cooperate and determine the amounts required to cure all defaults under each Assumed Contract so as to permit the assumption and assignment of each such Assumed Contract pursuant to section 365 of the Bankruptcy Code in connection with the transactions contemplated by this Agreement (as ultimately approved or determined by the Bankruptcy Court, the "Cure Amounts"). In connection with the assignment and assumption of the Assumed Contracts, (a) Parent shall (and Parent shall cause the Selling Affiliates to), pursuant to the Sale Motion, or with respect to any Post-Sale Hearing Contracts or Undisclosed Contracts, by separate motion to the Bankruptcy Court, move to assume and assign to Buyer the Assumed Contracts and will provide notices thereof to the Assumed Contract counterparties and all other parties in accordance with all applicable Bankruptcy Rules and Local Bankruptcy Rules, (b) Buyer shall be liable for any Cure Amounts required under the Assumed Contracts to extent of the Buyer Payable Cure Cap, which liability Buyer shall satisfy by paying to Parent an amount equal to the Buyer Payable Cure Cap pursuant to Section 2(g)(ii)(F)(2); provided, however, Sellers shall be liable for all Cure Amounts to the extent that such Cure Amounts exceed the Buyer Payable Cure Cap, and Sellers shall be responsible for paying all Cure Amounts, either out of the Initial Purchase Price or the Buyer Payable Cure Cap, provided that Sellers shall have no liability for or obligation to pay any Cure Amounts with respect to any Contract (other than Contracts related to the Media Related Payables) with any supplier of goods and services to the Business, and (c) Buyer or its designated Affiliate shall be responsible for demonstrating and establishing adequate assurance

of future performance before the Bankruptcy Court with respect to any of the Assumed Contracts. For the avoidance of doubt, neither Buyer nor any Affiliate of Buyer shall have any liability for any Cure Amounts related to any Assumed Contract except as provided in this Section 5(i) or Section 2(c).

(k) Transition Real Property.

(i) With regard to any Owned Real Property that is not included in the Acquired Owned Property as of the Closing Date, upon written notice from Buyer to Parent delivered not later than ten (10) Business Days prior to the Closing (the "Real Estate Option Notice"), Buyer shall be entitled to designate any or all of such Owned Real Property that Buyer elects to use and occupy subsequent to the Closing in order to transition from such Owned Real Property (such designated Owned Real Property being referred to as the "Transition Real Property"). With respect to such Transition Real Property, the Real Estate Option Notice shall set forth the name and/or address of the applicable Transition Real Property and the term for which Buyer elects to use and occupy such Transition Real Property subsequent to the Closing, provided, however, that in all events the term for which Buyer shall be entitled to use any Transition Real Property shall not exceed nine (9) months following the Closing (each such term, as applicable, the "Owned Property Term").

(ii) With respect to any Transition Real Property designated as such by Buyer in the Real Estate Option Notice, Buyer's and Sellers' respective rights and obligations in respect of such Transition Real Property shall be as set forth in the Transition Services Agreement, which shall, among other things, provide that (A) Buyer shall be granted a license for the exclusive use and occupancy of the applicable Transition Real Property in the same general manner and for the same general purposes as previously used by Sellers prior to the Closing in connection with the operation of the Business, subject to the rights of Sellers to market the Transition Real Property during the Owned Property Term, and dispose of the Transition Real Property at any time following the Owned Property Term, provided that such marketing does not unreasonably interfere with Buyer's use of the Transition Real Property during the Owned Property Term; (B) Sellers shall, at Buyer's sole cost and expense, continue to maintain the applicable Transition Real Property in good working order during the applicable Owned Property Term, subject to reasonable wear and tear, provided that Buyer shall be liable for all reasonable, out of pocket, third party costs and expenses actually incurred by Sellers in respect of such Transition Real Property arising from Buyer's use and occupancy of such Transition Real Property during such Owned Property Term; and (C) Sellers shall not, during the Owned Property Term applicable to any such Transition Real Property, sell, transfer, lease, encumber or otherwise interfere with Buyer's use and occupancy of such Transition Real Property, or Buyer's conduct of its business at such Transition Real Property; provided, that Sellers have the right to market the Transition Real Property during the Owned Property Term, and dispose of the Transition Real Property at any time following the Owned Property Term, provided that such marketing does not unreasonably interfere with Buyer's use of the Transition Real Property during the Owned Property Term.

(iii) With regard to any Leased Real Property that is not included in the Acquired Leased Property as of the Closing Date, upon written notice from Buyer to Parent delivered not later than ten (10) Business Days prior to the Closing (the "Leased Property Option Notice"), Buyer shall be entitled to designate any or all of such Leased Real Property (except for any Leased Real Property with respect to which (A) a Seller has been compelled to make a determination to assume or reject the corresponding lease pursuant to section 365(d)(2) of the Bankruptcy Code and (B) the corresponding lease has been deemed rejected pursuant to section 365(d)(4) of the Bankruptcy Code, provided that the applicable Seller shall not support, and shall use commercially reasonable efforts to contest, any motion to compel such Seller to make a determination to assume or reject the corresponding lease) that Buyer elects to use and occupy subsequent to the Closing in order to transition from such Leased Real Property (such designated Leased Real Property being referred to as the "Transition Leased Property"); provided that Buyer shall be liable for (1) all costs, claims, expenses, fees, and other payments resulting from Sellers' compliance with this Section 5(k)(iii) and (2) all reasonable costs and expenses actually incurred by Sellers in respect of such Transition Leased Property arising from Buyer's use and occupancy of such Transition Leased Property. With respect to such Transition Leased Property, the Leased Property Option Notice shall set forth the name and/or address of the applicable Transition Leased Property and the term for which Buyer elects to use and occupy such Transition Leased Property subsequent to the Closing, provided, however, that in all events the term for which Buyer shall be entitled to use any Transition Leased Property shall not extend beyond the earlier of (X) the nine (9) month anniversary of the Closing and (Y) the date on which (1) the corresponding lease is rejected by the relevant Seller as a result of such Seller being compelled to make a determination to assume or reject the corresponding lease pursuant to section 365(d)(2) of the Bankruptcy Code or (2) the corresponding Lease has been deemed rejected pursuant to section 365(d)(4) of the Bankruptcy Code, provided, in each case, that the applicable Seller shall not support, and shall use commercially reasonable efforts to contest, any motion to compel such Seller to make a determination to assume or reject the corresponding lease (each such term, as applicable, the "Leased Property Term").

(iv) With respect to any Transition Leased Property designated as such by Buyer in the Leased Property Option Notice (except for any Leased Real Property with respect to which (A) a Seller has been compelled to make a determination to assume or reject the corresponding lease pursuant to section 365(d)(2) of the Bankruptcy Code and (B) the corresponding lease has been deemed rejected pursuant to section 365(d)(4) of the Bankruptcy Code, provided that the applicable Seller shall not support, and shall use commercially reasonable efforts to contest, any motion to compel such Seller to make a determination to assume or reject the corresponding lease), Buyer's and Sellers' respective rights and obligations in respect of such Transition Leased Property shall be as set forth in the Transition Services Agreement, which shall, among other things, provide that (A) Buyer has the exclusive right to use and occupy the applicable Transition Leased Property in the same general manner and for the same general purposes as previously used by Sellers prior to the Closing in connection with the operation of the Business, subject to the rights of Sellers to market the Transition Leased Property during the Leased Property Term, and dispose of the Transitioned Leased Property at any time following the

Leased Property Term, provided that such marketing does not unreasonably interfere with Buyer's use of the Transition Leased Property during the Leased Property Term; (B) Buyer shall perform, on behalf of Sellers, all obligations of Sellers under the applicable lease in respect of each Transition Leased Property, including payment of all amounts and costs and expenses for the applicable Leased Property Term in accordance with the terms and conditions of the applicable lease; (C) Sellers shall not, during the Leased Property Term applicable to any Transition Leased Property, seek to terminate, otherwise assign or sublet, or reject the applicable lease in the Chapter 11 Cases, and, with respect to the assumption and assignment of any leases in respect of the Transition Leased Property, Parent shall (and shall cause the Selling Affiliates to), at Buyer's request, seek any extension of time to assume or reject any lease of any designated Transition Leased Property available to Sellers under Section 365 of the Bankruptcy Code in order to accommodate Buyer's use and occupancy of such Transition Leased Property as provided herein and/or under the Transition Services Agreement, including using commercially reasonable efforts to seek the consent of any applicable landlord, to the extent required; provided, that Sellers have the right to market the Transition Leased Property during the Leased Property Term, and dispose of the Transition Leased Property at any time following the Leased Property Term, provided that such marketing does not unreasonably interfere with Buyer's use of the Transition Leased Property during the Leased Property Term; and (D) Sellers shall not support, and shall use commercially reasonable efforts to contest, any motion to reject any such Transition Leased Property by the applicable landlord; provided that Buyer shall be liable for (1) all costs, claims, expenses, fees, and other payments resulting from Sellers' compliance with the preceding clauses (A) through (D) and (2) all reasonable, out of pocket, third party costs and expenses actually incurred by Sellers in respect of such Transition Leased Property arising from Buyer's use and occupancy of such Transition Leased Property.

(v) Promptly after the Agreement Date, Parent and Buyer shall negotiate in good faith and shall use their commercially reasonable efforts to finalize within 45 days following the Agreement Date, a transition services agreement between Sellers, on the one hand, and Buyer, on the other (the "Transition Services Agreement"), in form and substance reasonably acceptable to Buyer and Parent, pursuant to which (A) Sellers shall provide Buyer such transition services, including with respect to IT, systems, software, applications and other functions, as may be reasonably required to complete an orderly transition of the Business to Buyer with respect to, among other things, Buyer's and its Affiliates' use of the Transition Real Property and/or the Transition Leased Property, and Buyer's exclusive right to subcontract work from such property, including the facilities identified on Schedule 5(k)(v), and (B) Buyer shall provide Sellers such transition services, including with respect to IT, systems, software, applications and other functions, as may be reasonably required for Sellers' to perform their obligations pursuant to the administration of the Chapter 11 Cases, all subject to customary limitations of liability and indemnification provisions. Buyer and Sellers shall commit in the Transition Services Agreement to provide any required services in the ordinary course of business, consistent with past practice, and all such services shall be billed to the recipient at the service provider's fully-burdened cost.



(l) Title Commitment. To the extent that any of the following is within any Seller's possession or control, Parent shall promptly furnish Buyer with a copy: (i) a title policy or title commitment in respect of each Acquired Owned Property, together with copies of all recorded documents referenced therein (the "Title Documents"), and (ii) a copy of any ALTA/ACSM survey of each parcel of real property and Improvements thereon constituting the Acquired Owned Property (the "Survey"). Buyer may determine, in its sole discretion and at its sole cost and expense, to obtain updates of any such Title Documents or Surveys for any Acquired Owned Property, or obtain any Title Documents or Surveys for any Acquired Owned Property that Parent does not have within its possession or control. Within ten (10) days following the receipt of such documentation, Buyer shall deliver to Parent notice ("Objection Notice") of any objections Buyer may have to matters appearing on the Survey or Title Documents in respect of any applicable Acquired Owned Property which adversely affect title to any of the Acquired Owned Property. Within ten (10) days after receipt by Parent of Buyer's Objection Notice, Parent shall give Buyer written notice ("Parent's Title Response") of any title objection set forth in an applicable Objection Notice that Parent elects to cure or otherwise remove from record prior to Closing. No Seller shall have any obligation to cure any title defect identified in the Objection Notice, but if Parent elects, at its option, to cure or remove any matters identified by Buyer in an applicable Objection Notice, Parent shall use its commercially reasonable efforts to cure or remove the same on or before Closing, at Parent's sole cost and expense. If Buyer is not satisfied with Parent's Title Response, then Buyer shall have the right to exclude the applicable Acquired Owned Property from the Acquired Assets and add it to the Excluded Assets. If Buyer does not within five (5) Business Days of receipt of Parent's Title Response elect the remedy set forth in the immediately preceding sentence, then all matters to which Buyer objected in the applicable Objection Notice but which Parent did not agree to cure in the Parent's Title Response shall be deemed waived by Buyer and the same shall constitute Permitted Liens. From and after the Agreement Date until the earlier of Closing or the termination hereof, Parent shall not take any action, or fail to take any action, that would cause title to the Acquired Owned Property to be subject to any title exceptions, other than the Permitted Liens.

(m) Disclosure Schedule; Supplementation and Amendment of Disclosure Schedule. Parent may, at its option, include in the Disclosure Schedule items that are not material in order to avoid any misunderstanding, and such inclusion, or any references to dollar amounts, shall not be deemed to be an acknowledgement or representation that such items are material, to establish any standard of materiality or to define further the meaning of such terms for purposes of this Agreement. Information provided in one Disclosure Schedule will suffice, without repetition or cross reference, as a disclosure of such information in any other Disclosure Schedule to which its relevance is readily apparent on its face. Parent may, from time to time prior to or at the Closing by written notice to Buyer, supplement or amend the Disclosure Schedule, and Parent shall be obligated to supplement or amend Schedule 3(k)(i) of the Disclosure Schedule to the extent necessary to include Material Contracts entered into following the Agreement Date or Material Contracts existing as of the Agreement Date that were inadvertently excluded from such schedule and updated Cure Amounts; provided, however, that such supplements or amendments shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the termination rights contained in this Agreement or of determining whether or not the condition set forth in Section 7(a)(iii) has been satisfied.

(n) Regulatory Filings.

(i) Each of the Parties hereto shall, up until the Drop Dead Date, use all reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Law and regulations (including the HSR Act) to consummate and make effective the transactions contemplated by this Agreement, including all necessary or appropriate waivers, consents and approvals to effect all necessary registrations, filings and submissions and to lift any injunction or other legal bar to the consummation of the transactions contemplated by this Agreement by the Drop Dead Date (and, in such case, to proceed with the transactions contemplated by this Agreement as expeditiously as possible). In furtherance of and without limiting the foregoing, if necessary, Buyer and Parent shall (and Parent shall cause the Selling Affiliates to), up until the Drop Dead Date, use reasonable best efforts to (1) make or cause to be made all filings required of each of them or any of their respective Affiliates under the HSR Act or other Antitrust Laws with respect to the transactions contemplated herein as promptly as practicable after the Agreement Date, and in any event prior to five (5) Business Days after the Agreement Date, (2) comply at the earliest practicable date with any request under the HSR Act or other Antitrust Laws for additional information, documents, or other materials received by each of them or any of their respective subsidiaries from the Federal Trade Commission (the "FTC"), the Antitrust Division of the United States Department of Justice (the "Antitrust Division") or any other Governmental Entity in respect of such filings (3) cooperate with each other in connection with any such filing or request (including, to the extent permitted by applicable Law, providing copies of all such documents to the non-filing parties prior to filing and considering all reasonable additions, deletions or changes suggested in connection therewith) and in connection with resolving any investigation or other inquiry of any of the FTC, the Antitrust Division or other Governmental Entity under any Antitrust Laws with respect to any such filing, and (4) not extend any waiting period under the HSR Act or enter into any agreement with the FTC or the Antitrust Division not to consummate the transactions contemplated by this Agreement, except with the prior written consent of the other parties hereto, and (5) defend and resolve any investigation or other inquiry of any Governmental Entity under all applicable Regulatory Laws, including by defending against and contesting administratively and in court any litigation or adverse determination initiated or made by a Governmental Entity under any applicable Regulatory Law. Each Party acknowledges that its reasonable best efforts under this Section 5(n)(i) requires that it use reasonable best efforts to comply with any request under the HSR Act or other Antitrust Laws for additional information, documents, or other materials that it or its Affiliates receive from the FTC or Antitrust Division as soon as reasonably practicable after the issuance of such request. Each Party shall promptly inform the other parties hereto of any oral communication with, and provide copies of written communications with, any Governmental Entity regarding any filings made pursuant to this Section 5(n)(i).

(ii) Notwithstanding anything in this Agreement to the contrary, in no event will Buyer be obligated to propose, or agree to accept, any undertaking or condition, to enter into any consent decree, to make any sale, divestiture or disposition, to accept any operational restriction (including any requirement to hold separate (including by trust or

otherwise) any business, product lines or Assets), or to take any other action that, in the reasonable judgment of Buyer, could be expected to limit the right of Buyer to (A) own or retain all of any portion of the Acquired Assets or any of Buyer's or any of its Affiliates' product lines or Assets, or (B) operate, own or retain the Business or any of Buyer's or any of its Affiliates' businesses. Parent shall not (and shall not permit any of the Selling Affiliates to), without Buyer's prior written consent in Buyer's sole discretion, consummate, discuss or commit to any divestiture transaction, or alter, or discuss or commit to alter, the Business or their commercial practices in any way, or otherwise take or commit to take any action that limits Buyer's freedom of action with respect to, or Buyer's ability to retain the full benefits of, this Agreement or any of the Acquired Assets or businesses, product lines or Assets of Buyer. Parent shall not, and shall not permit any of the Selling Affiliates to, enter into or publicly announce an agreement or intention to form a joint venture or acquire any Assets, business or company if any such agreements or intentions, individually or in the aggregate, would reasonably be expected to cause the conditions set forth in Section 7(a)(vii) to fail to be satisfied or would reasonably be expected to have the effect of preventing, materially impairing, materially delaying or otherwise materially and adversely affecting the consummation of the transactions contemplated by this Agreement.

(o) Casualty. If, between the date of this Agreement and the Closing, any of the Acquired Assets shall be destroyed or damaged in whole or in part by fire, earthquake, flood, other casualty, or any other cause ("Casualty"), then the Parties shall have the option to: (i) if such Acquired Assets are not Accounts Receivable, Inventory or maintenance parts, consummate the sale of such Acquired Assets on an "as-is" basis and reduce the Initial Purchase Price and Final Purchase Price by (without double counting or further adjustment based on corresponding changes to the Closing Working Capital) an amount agreed to by Parent and Buyer following good faith, commercially reasonable negotiations, or (ii) if the Parties are not able to agree on an appropriate adjustment to the Initial Purchase Price and Final Purchase Price pursuant to clause (i), terminate this Agreement and the transactions contemplated hereby. If there is a Casualty involving Acquired Assets that consist of Accounts Receivable, Inventory or maintenance parts, then the Sellers shall keep all condemnation, insurance and other proceeds of such Casualty with respect to such Acquired Assets without any adjustment to the Initial Purchase Price or the Final Purchase Price (as applicable) except as provided in Sections 2(d) and 2(e).

(p) Lenders. On the Agreement Date, simultaneous with the execution and delivery of this Agreement, Parent shall deliver to Buyer a Lock-Up Agreement in form and substance reasonably acceptable to Buyer, duly executed by Parent's secured lenders to the extent required therein (the "Sale Support Agreement").

(q) Employee Compensation.

(i) To the extent that Sellers elect, or are legally required, to continue to honor any bonus, severance and other compensation obligations (including all change of control or similar retention obligations or any other payment obligations arising pursuant to any Employee Benefit Plan) that existed prior to the Commencement Date in respect of any Transferred Employees, all such obligations (except to the extent of the Accrued Employee Obligations) shall remain the sole obligation of Sellers and shall be paid and

discharged as and when payable pursuant to the terms and conditions of such obligations, subject in all cases to all of Sellers' rights pursuant to the Bankruptcy Code and any orders issued in connection with the administration of the Chapter 11 Cases.

(ii) In addition to the amounts required to be paid pursuant to Section 5(q)(i), Sellers and their Affiliates shall formulate an incentive program as soon as reasonably practicable following the Agreement Date reasonably acceptable to Buyer and compliant with Section 503(c) of the Bankruptcy Code, in an aggregate amount equal to the amount set forth on Schedule 5(q)(ii), or such lesser aggregate amount agreed to by Buyer, for the benefit of those Covered Employees reasonably acceptable to Buyer who are critical to the consummation of the transactions contemplated hereby, including the transfer of the Acquired Assets to Buyer, which amounts shall be paid by Sellers and their Affiliates as and when payable pursuant to the terms and conditions of such obligations, subject to approval of the Bankruptcy Court. Buyer and its Affiliates shall formulate a complimentary incentive program, in the aggregate amount equal to the amount set forth on Schedule 5(q)(ii), or such lesser aggregate amount agreed to by Parent, and all amounts payable thereunder shall be paid and discharged as and when payable pursuant to the terms and conditions of such incentive program, subject to customary terms and conditions of such bonuses as shall be established by Buyer.

#### Section 6. Other Covenants.

(a) Cooperation; Further Assurances. To the extent permitted by Law, the Parties shall cooperate with each other, and shall use commercially reasonable efforts to cause their respective Controlled Affiliates and Representatives to cooperate with each other, to provide an orderly transition of the Business from Sellers to Buyer. On and after the Closing, until the conclusion of all bankruptcy proceedings relating to the Chapter 11 Cases, upon reasonable advance written request by Parent, Buyer will afford promptly to Parent and its counsel, financial advisers and other agents reasonable access during normal business hours, and in a manner so as not to interfere with normal business operations or violate any Law, to its properties, books and records, employees, auditors and counsel to the extent necessary for financial reporting and accounting matters, employee benefits matters, the preparation and filing of any Tax Returns, reports or forms, the defense of any Tax audit, claim or assessment, the reconciliation of Claims in the Chapter 11 Case, the preparation and confirmation of a plan in the Chapter 11 Case, other matters relating to the winding-up of the Sellers' estate and/or the closing of the Chapter 11 Case, or any other reasonable business purpose related to the Excluded Assets or Excluded Liabilities; provided, however, that, for avoidance of doubt, the foregoing shall not require any Party to waive, or take any action with the effect of waiving, its attorney-client privilege or any confidentiality obligation to which it is bound with respect thereto or take any action in violation of applicable Law. Following the Closing, Parent will hold, and will use commercially reasonable efforts to cause its Affiliates, officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, all confidential documents and information concerning Buyer or the Business provided to them pursuant to this Section 6(a). Without limiting the provisions of this Section 6(a), to the extent that Buyer or Parent discovers any additional Assets or properties which should have been transferred or assigned to Buyer as Acquired Assets but were not so transferred or assigned at Closing, Buyer

and Parent shall (and Parent shall cause the Selling Affiliates to) cooperate and execute and deliver any instruments of transfer or assignment necessary to transfer and assign such Asset or property to Buyer without any adjustment to the Final Purchase Price and shall cooperate and execute and deliver all conveyances, assumptions, notices, releases, and other instruments as may be necessary to make effective the transactions contemplated by this Agreement. Without limiting the provisions of this Section 6(a), to the extent that Buyer or Parent discovers any Assets or properties which are an Excluded Asset that were inadvertently or otherwise mistakenly transferred or assigned to Buyer, Buyer and Parent shall (and Parent shall cause the Selling Affiliates to) cooperate and execute and deliver any instruments of transfer or assignment necessary to transfer and assign such Asset or property back to Sellers.

(b) Litigation Support. Following the Closing, in the event and for so long as any Party actively is contesting or defending against any Litigation commenced by any non-Party with respect to (i) any transaction contemplated by this Agreement or any Related Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act or transaction on or prior to the Closing Date involving the Business, the other Party will use commercially reasonable efforts to cooperate with the contesting or defending Party and its counsel in the contest or defense, make available its personnel and provide such testimony and access to its books and records as shall be reasonably necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party and all subject to the terms and conditions of the Transition Services Agreement; provided, however, that, for avoidance of doubt, the foregoing shall not require any Party to waive, or take any action with the effect of waiving, its attorney-client privilege with respect thereto. As a condition to the cooperation required pursuant to this Section 6(b), the Party to provide such cooperation or assistance (the "Assisting Party") may require the Party receiving such cooperation or assistance to enter into a non-disclosure agreement reasonably satisfactory in form and substance to the Assisting Party.

(c) Availability of Records. Subject to the terms and conditions of Section 6(a) and the Transition Services Agreement, to the extent legally permissible, after the Closing Date, Buyer shall provide to Sellers and their respective Representatives (after reasonable notice and during normal business hours and without charge to Sellers) reasonable access to all Records included in the Acquired Assets for periods prior to the Closing and shall preserve such Records until the later of (A) six (6) years after the Closing Date, (B) the required retention period required by any United States Law, (C) the conclusion of all bankruptcy proceedings relating to the Chapter 11 Cases or (D) in the case of Records relating to Taxes, the expiration of the statute of limitations applicable to such Taxes. Such access shall include access to any information in electronic form to the extent reasonably available. Buyer acknowledges that Sellers have the right to retain originals or copies of all Records included in the Acquired Assets for periods prior to the Closing. Prior to destroying any Records included in the Acquired Assets for periods prior to the Closing, Buyer shall notify Parent thirty (30) days in advance of any such proposed destruction of its intent to destroy such Records, and Buyer will permit Sellers to retain such Records.

(d) Satisfaction of Assumed Liabilities. Following the Closing, Buyer agrees to pay, perform and discharge the Assumed Liabilities as they become due and shall indemnify and hold Sellers harmless with respect to the Assumed Liabilities.

(e) Employee Matters.

(i) Transferred Employees. No later than ten (10) days prior to the Closing, but effective as of immediately following the Closing Date, Buyer shall offer employment to those Covered Employees selected by Buyer in its sole discretion, which offers shall be (A) on terms and conditions that provide total compensation and benefits opportunities that are in the aggregate substantially comparable to the compensation and benefits opportunities (including with respect to any severance policies and incentive and equity-based compensation programs) provided to either (1) similarly situated employees of Buyer who are employed immediately prior to the Closing Date, or (2) such Covered Employees as of immediately prior to the Closing Date, or (B) on commercially reasonable market-based terms and conditions. Parent will use commercially reasonable efforts to inform Covered Employees designated by Buyer about the possibility of employment with Buyer, assist Buyer with interviewing Covered Employees designated by Buyer and provide Buyer with information regarding Covered Employees to the fullest extent permitted by applicable Law. Any Covered Employee employed by a Seller immediately before the Closing and who accepts such offer of employment with Buyer (or any Affiliate of Buyer) and becomes an employee of Buyer (or any Affiliate of Buyer) immediately following the Closing Date is referred to herein as a "Transferred Employee." Parent and their Affiliates shall terminate for all purposes the employment of all Covered Employees who agree to become Transferred Employees, effective immediately after the Closing Date.

(ii) Service. Buyer shall grant all Transferred Employees credit after the Closing for continuous service with Sellers or any of their respective Affiliates and their respective predecessors prior to the Closing (to the extent such service was recognized by Sellers, their respective Affiliates and their corresponding Employee Benefit Plans) for purposes of participation and determining the amount of severance benefits in the case of any Buyer Plan that is a severance plan or program (if any). Buyer will cause to be waived any waiting period and preexisting condition limitations applicable to Transferred Employees under any group health plan maintained by Buyer or any of its Affiliates in which such Transferred Employees are otherwise permitted to participate, other than limitations or waiting periods that are already in effect with respect to such Transferred Employees and that have not been satisfied as of the Closing Date under any welfare plan maintained for the Transferred Employees immediately prior to the Closing Date. Buyer will take all commercially reasonable action necessary to ensure that, to the extent permitted under applicable Buyer Plans, such Transferred Employees are given full credit for all expenses and deductibles incurred under any group health plan sponsored by Sellers or any of their respective Affiliates for the plan year that includes the Closing Date for the purposes of satisfying the maximum out-of-pocket expense limitations and deductibles under any group health plan sponsored by Buyer or any of its Affiliates in which Transferred Employees participate after the Closing Date.

(iii) Employee List. Parent shall promptly provide to Buyer an updated Employee List that reflects employee terminations, new hires, changes in status, etc., as reasonably requested by Buyer.

(iv) Assumed Benefit Plans. Effective as of immediately following the Closing Date, Buyer or one of its Affiliates shall assume the Assumed Benefit Plans (and all assets, trusts, insurance policies, and funding media held or maintained by any Assumed Benefit Plans), and the Parties shall cooperate with each other to take all actions and execute and deliver all documents and furnish all notices necessary to effectuate such assumption. The Parties agree that Buyer and its Affiliates shall, pursuant to such assumption, only assume Liability for benefits provided pursuant to the written terms and conditions of the Assumed Benefit Plans as of the Closing Date and all other Liabilities as of the Closing Date relating to the Assumed Benefit Plans shall be Excluded Liabilities. For sake of clarity, Buyer and its Affiliates may, in their sole discretion, amend, suspend or terminate any Assumed Benefit Plan at any time, subject to the terms of the Assumed Benefit Plans.

(f) Tax Matters.

(i) Transfer Taxes. All Transfer Taxes that are not eliminated through the application of the Bankruptcy Code shall be borne one-half by Buyer and one-half by Parent. Parent and Buyer shall cooperate to timely prepare, and Buyer shall file, any Tax Returns relating to such Transfer Taxes, including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes, except to the extent Sellers are required by applicable Law to file a Tax Return. With respect to any such Tax Returns required to be filed by Sellers, Buyer shall pay to Sellers, not later than five (5) Business Days before the due date for payment of such Transfer Taxes, an amount equal to one-half of the Transfer Taxes shown on such Tax Return, and Parent shall, following the filing thereof, provide Buyer with a copy of such Tax Return and a copy of a receipt showing payment of any such Transfer Taxes. With respect to any such Tax Return required to be filed by Buyer, Buyer shall provide Parent with a copy of such Tax Return and a copy of a receipt showing payment of any such Transfer Taxes. To the extent not otherwise paid by Parent, the Parties shall take all necessary actions under this Agreement and the Escrow Agreement (including the provision of the joint written instructions required thereunder) to permit Buyer to receive from the Transfer Tax Escrow, prior to its distribution pursuant to Section 2(e)(iv), the portion of Transfer Taxes that Parent is liable for pursuant to this Section 6(f)(i).

(ii) Tax Returns. Parent will (and will cause the Selling Affiliates to) prepare and timely file, or cause to be prepared and timely filed, all Tax Returns in respect of the Acquired Assets (other than any such Tax Return relating to Transfer Taxes, which shall be governed by Section 6(f)(i)) that are required to be filed (taking into account any applicable extensions) after the Closing Date for any Tax period ending on or before the Closing Date, except to the extent Buyer is required by applicable Law to file such Tax Return. Buyer will timely file, or cause to be timely filed, any Tax Return that is prepared by Sellers with respect to the Acquired Assets pursuant to the immediately preceding sentence to the extent permitted by applicable Law. Buyer will prepare and timely file, or cause to be prepared and timely filed, all other Tax Returns required to be filed after the Closing Date in respect of the Acquired Assets. Any Tax Return in respect of the Acquired Assets required to be filed by Buyer in respect of a Straddle Period will be prepared on a basis consistent with the past practices of the Sellers, and Buyer will

deliver to Parent for its approval, at least fifteen (15) days prior to the due date for the filing of such Tax Return (taking into account any applicable extensions), a statement setting forth the amount of Tax for which Sellers are responsible pursuant to Section 6(f)(iv) and a copy of such Tax Return, together with any additional information that Parent may request. No Tax Return in respect of the Acquired Assets required to be filed by Buyer in respect of a Straddle Period shall be filed with any Taxing Authority without Parent's written consent. Any Tax Return relating to the Acquired Assets for a Straddle Period will, to the extent permitted by applicable Law, be filed on the basis that the relevant Tax period ended as of the close of business on the Closing Date.

(iii) Payment of Taxes. Parent will (and will cause the Selling Affiliates to) pay, or cause to be paid, all Taxes due with respect to Tax Returns which Sellers are obligated to prepare and file, or cause to be prepared and filed, pursuant to Section 6(f)(ii). At least three (3) days prior to the due date for a Tax Return prepared by Sellers and filed by Buyer for any Tax period ending on or before the Closing Date pursuant to Section 6(f)(ii), Parent will (and will cause the Selling Affiliates to) pay Buyer an amount equal to the Taxes shown on such Tax Return. At least three (3) days prior to the due date for a Tax Return for a Straddle Period, Parent will (and will cause the Selling Affiliates to) pay its portion of the Taxes due with respect to such Tax Return to Buyer, as determined in Section 6(f)(iv).

(iv) Straddle Period. Except as set forth in Section 6(f)(i) relating to Transfer Taxes, (1) all periodic Taxes that are not based on income or receipts (e.g., Property Taxes) due and payable with respect to the Acquired Assets for a Straddle Period shall be apportioned between Buyer and Sellers based on the number of days of such Straddle Period included in the Pre-Closing Tax Period and the number of days of such Straddle Period included in the Post-Closing Tax Period, and (2) all Taxes of the Acquired Assets due and payable with respect to the Acquired Assets for a Straddle Period, other than Taxes described in clause (1) of this sentence, will be computed as if such Tax period ended as of the close of business on the Closing Date. The Parties agree that Sellers shall be liable for the proportionate amount of such Taxes that is attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Taxes that is attributable to the Post-Closing Tax Period, in each case, as determined under this Section 6(f)(iv). All determinations necessary to give effect to the foregoing allocations shall be made in a manner that does not accelerate deductions or defer income.

(v) Allocation of Initial Purchase Price. The Parties agree that the Initial Purchase Price and the Assumed Liabilities (plus other relevant items) will be allocated among the Acquired Assets in a manner consistent with Section 1060 of the Code, the Treasury Regulations promulgated thereunder, and any other applicable Tax laws (the "Allocation Laws"). Buyer will complete a draft schedule (the "Allocation Schedule") allocating the Initial Purchase Price and Assumed Liabilities (plus other relevant items) to the Acquired Assets and provide a copy to Parent within one hundred seventeen (117) days after the Closing Date. Unless Parent notifies Buyer in writing within thirty (30) days after the receipt of the draft Allocation Schedule of any objections Parent may have to the allocations set forth therein, Parent shall be deemed to have agreed to the Allocation Schedule as prepared by Buyer. If Parent disputes any portion of the



Allocation Schedule in accordance with the preceding sentence, the parties shall attempt to resolve any disagreement in good faith. If Parent and Buyer do not agree on an alternative allocation in the ten (10) days following the date Buyer received Parent's written notice, the parties shall submit the dispute with respect to the Allocation Schedule on the next Business Day to the Independent Accountant whose determination shall be final and binding on all parties. The Parties agree that the fees, costs and expenses incurred in connection therewith shall be shared in equal amounts by Parent and Buyer; provided, however, Parent shall bear the full amount of fees, costs and expenses if there are no material changes to the Allocation Schedule. The Parties agree that Sellers and Buyer each shall report all Taxes and file all Tax Returns consistent with the Allocation Schedule as finally determined under this Section 6(f)(v). Parent and Buyer shall exchange completed forms with respect to such Allocation Schedule (including IRS Form 8594) at least thirty (30) days prior to the due date (subject to any applicable extensions) for filing such forms and shall cooperate in the filing of any forms (including IRS Form 8594) with respect to such Allocation Schedule, including any amendments to such forms required with respect to any adjustment to the Initial Purchase Price pursuant to this Agreement.

(g) Recording of Intellectual Property Assignments. Buyer shall file and record all assignments of Acquired Intellectual Property with the appropriate Governmental Entities as promptly as practicable following the Closing.

(h) Wage Reporting. Following the Closing, Buyer and Sellers agree to utilize or cause their respective Affiliates to utilize, the alternate procedure set forth in Revenue Procedure 2004-53, 2004-2 C.B. 320 with respect to wage reporting.

(i) Accounts Receivable/Collections. After the Closing, Parent shall permit, and hereby authorizes, Buyer to collect, in the name of the Sellers, all accounts receivable constituting part of the Acquired Assets and to endorse with the name of the Sellers for deposit in Buyer's account any checks or drafts received in payment thereof. Parent shall, and shall cause all Seller Affiliates to, promptly deliver to Buyer any cash, checks or other property that it may receive after the Closing in respect of any accounts receivable or other Asset constituting part of the Acquired Assets.

Section 7. Conditions to Obligation to Close.

(a) Conditions to Buyer's and Guarantor's Obligations. Buyer's and Guarantor's obligation to consummate the transactions contemplated in this Agreement in connection with the Closing is subject only to satisfaction or waiver of the following conditions:

(i) no order staying, reversing, modifying or amending the Bidding Procedures Order shall be in effect on the Closing Date;

(ii) the Bankruptcy Court shall have entered the Sale Order, such order shall be a Final Order, and no order staying, reversing, modifying or amending the Sale Order shall be in effect on the Closing Date;

(iii) the representations and warranties set forth in Section 3 shall be true and correct in all respects when made and at and as of the Closing Date as if made at and as of such time (in either case, except to the extent expressly made as of an earlier date, in which case as of such date as if made at, and as of, such date); provided, however, that in the event of a breach of a representation or warranty other than a representation or warranty qualified by Material Adverse Effect, the condition set forth in this Section 7(a)(iii) shall be deemed satisfied unless the effect of all such breaches of representations and warranties taken together result in a Material Adverse Effect on the Business;

(iv) Parent shall have performed and complied with its covenants and agreements hereunder through the Closing in all material respects;

(v) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect of making the Closing illegal or otherwise prohibiting the consummation of the Closing;

(vi) each delivery contemplated by Section 2(g)(i) to be delivered to Buyer shall have been delivered;

(vii) the waiting period applicable to the transactions contemplated hereby under the HSR Act, if any, shall have expired, or early termination of the waiting period shall have been granted;

(viii) between the date of this Agreement and the Closing Date, there shall have been no events, occurrences or conditions that have had or could reasonably be expected to have a Material Adverse Effect on the Acquired Assets or the Business;

(ix) the Necessary Consents with respect to the Material Contracts set forth on Schedule 7(a)(ix) shall have been obtained and such Material Contracts shall be assignable to Buyer at Closing as part of the Assumed Contracts (it being agreed and understood that this condition shall be met to the extent that the Bankruptcy Court shall have entered a Final Order providing that such consents are not required in order for such Contracts to be assigned to Buyer);

(x) As of the Closing Date, Net VAR Losses shall not exceed \$71 million, and to the Knowledge of Parent, there do not exist any facts or circumstances, other than any individual Excluded Fact in and of itself (and not in combination with any other fact or circumstance), that in the good faith judgment of Parent would be reasonably expected to result in Net VAR Losses in excess of \$71 million for the 12 month period ending on the first anniversary of the Closing Date. Parent shall have delivered to Buyer on the Closing Date a certificate signed by the Chief Financial Officer of Parent certifying the satisfaction of the condition set forth in this Section 7(a)(x), which certificate shall (a) not contain any exceptions or qualifications beyond those otherwise agreed to in this Agreement, and (b) contain reasonable summary detail evidencing the calculation of Net VAR Losses as of the Closing Date and the Net VAR Losses reasonably expected for the

12 month period ending on the first anniversary of the Closing Date, as well as such additional information as Buyer may reasonably request, provided that such additional information provided shall be subject to the terms and conditions of the Confidentiality Agreement and those certain "clean team" policies and procedures previously adopted by Parent and Guarantor; and

(xi) Parent shall have caused the applicable Sellers to have entered into the Transition Services Agreement and such other material real property leases, subcontracts, licensees or other applicable occupancy agreements with Buyer, in form and substance reasonably satisfactory to Buyer, as may reasonably be required in connection with the matters set forth in Section 5(k).

(b) Conditions to Parent's Obligations. Parent's obligation to consummate the transactions contemplated in this Agreement in connection with the Closing is subject to satisfaction or waiver of the following conditions:

(i) the representations and warranties set forth in Section 4 shall be true and correct in all respects when made and at and as of the Closing Date as if made at and as of such time (in either case, except to the extent expressly made as of an earlier date, in which case as of such date as if made at, and as of, such date); provided, however, that in the event of a breach of a representation or warranty other than a representation or warranty qualified by material adverse effect, the condition set forth in this Section 7(b)(i) shall be deemed satisfied unless the effect of all such breaches of representations and warranties taken together result in a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby;

(ii) Buyer and Guarantor shall have performed and complied with their respective covenants and agreements hereunder through the Closing in all material respects;

(iii) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect of making the Closing illegal or otherwise prohibiting the consummation of the Closing;

(iv) each delivery contemplated by Section 2(g)(ii) to be delivered to Parent shall have been delivered;

(v) the Bankruptcy Court shall have entered the Sale Order, such order shall be a Final Order, and no order staying, reversing, modifying or amending the Sale Order shall be in effect on the Closing Date; and

(vi) the waiting period applicable to the transactions contemplated hereby under the HSR Act, if any, shall have expired, or early termination of the waiting period shall have been granted.

(c) No Frustration of Closing Conditions. Neither Buyer nor Parent may rely on the failure of any condition to its obligation to consummate the transactions contemplated in

this Agreement set forth in Section 7(a) or Section 7(b), as the case may be, to be satisfied if such failure was caused by such Party's breach of a representation, warranty or covenant hereunder.

Section 8. Termination.

(a) Termination of Agreement. This Agreement may be terminated and the transactions contemplated in this Agreement abandoned at any time prior to the Closing, notwithstanding any prior approval of this Agreement by the Bankruptcy Court, as follows:

- (i) by mutual written consent of each of Parent and Buyer;
- (ii) by Buyer, if any of the conditions to the obligations of Buyer and Guarantor set forth in Section 7(a) shall have become incapable of fulfillment other than as a result of a breach by Buyer of any covenant or agreement contained in this Agreement (including Sections 5(n)(i) and 5(n)(ii)), and such condition is not waived by Buyer and Guarantor, provided that if Buyer fails to exercise its right to terminate pursuant to this Section 8(a)(ii) within thirty (30) days following the date on which Buyer receives both a Development Notice and a Development Certification, Buyer shall have waived such right to terminate on account of the Development described in such Development Notice, subject to the terms and conditions of Section 5(e);
- (iii) by Parent, if any condition to the obligations of Parent set forth in Section 7(b) shall have become incapable of fulfillment other than as a result of a breach by Parent of any covenant or agreement contained in this Agreement, and such condition is not waived by Parent, provided that if Parent fails to exercise its right to terminate pursuant to this Section 8(a)(iii) within thirty (30) days following the date on which Parent receives both a Development Notice and a Development Certification, Parent shall have waived such right to terminate on account of the Development described in such Development Notice, subject to the terms and conditions of Section 5(e);
- (iv) by Buyer, if there shall be a breach by Parent of any representation, warranty, covenant or agreement of Parent contained in this Agreement which would result in a failure of a condition set forth in Section 7(a), and which breach has not been cured within ten (10) Business Days after the giving of written notice by Buyer to Parent of such breach;
- (v) by Parent, if there shall be a breach by Buyer or Guarantor of any representation, warranty, covenant or agreement of Buyer or Guarantor, as applicable, contained in this Agreement which would result in a failure of a condition set forth in Section 7(b), and which breach has not been cured within ten (10) Business Days after the giving of written notice by Parent to Buyer of such breach;
- (vi) by Buyer or Parent, if there shall be in effect a non-appealable Decree of a Governmental Entity of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(vii) by Buyer, if Parent does not (or does not cause the Selling Affiliates to) file the Sale Motion with the Bankruptcy Court within Three (3) Business Days following the Agreement Date, unless Buyer agrees in writing to extend such date;

(viii) by Buyer, if the Bankruptcy Court does not enter the Bidding Procedures Order on or before a date that is twenty-five (25) days following the Commencement Date, unless Buyer agrees in writing to extend such date, or if the Bidding Procedures Order, once entered, is changed in a manner that is adverse to Buyer or Parent without consent of Buyer or Parent, as applicable;

(ix) by Buyer, if after the Bidding Procedures Order is entered, the Bankruptcy Court does not enter the Sale Order on or before a date that is sixty (60) days following the Commencement Date, unless Buyer agrees in writing to extend such date;

(x) by Buyer or Parent, if the Bankruptcy Court shall enter an order approving a transaction contemplated by a Competing Bid and/or an Alternative Transaction, subject to Section 5(d)(ii);

(xi) by Buyer or Parent, if the Bankruptcy Court or another court of competent jurisdiction shall vacate or modify the Sale Order in a manner that is adverse to Buyer or Parent without consent of Buyer or Parent, as applicable;

(xii) by Buyer, if the Sale Support Agreement shall be terminated in accordance with its terms;

(xiii) by Buyer, if the Bankruptcy Court does not, with the consent of the lenders under the ABL and the consent of the lenders under the Term Loan, enter interim orders within ten (10) Business Days after the Commencement Date approving debtor-in-possession financing and, to the extent applicable, approving the use of cash collateral;

(xiv) by Buyer, in the event that the DIP Facility is amended to allow for permitted borrowings under the DIP Facility in the aggregate in excess of One Hundred Fifty Million Dollars (\$150,000,000);

(xv) by Buyer or Parent, as applicable, pursuant to the terms and conditions of Section 5(o)(ii); or

(xvi) by Buyer or Parent, as applicable, on any date that is after the Drop Dead Date if the Closing shall not have occurred on or before such date; provided, however, that Buyer or Parent, as applicable, shall not have the right to terminate this Agreement under this Section 8(a)(xvi) if the Closing has not occurred on or before the Drop Dead Date because of such Party's material breach of any of its obligations under this Agreement (including Sections 5(n)(i) and 5(n)(ii)); provided, further, however, that if Buyer is the Back-Up Bidder and is required by Section 5(d)(ii) to keep its bid to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be improved upon by Buyer in the Auction) open and irrevocable until the expiration of the Outside Back-Up Date, then

Parent shall not have the right to terminate this Agreement under this Section 8(a)(xvi) prior to the day that is three (3) Business Days following the Outside Back-Up Date.

For the avoidance of doubt, any conversion (in and of itself) of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code and/or the appointment (in and of itself) of a trustee under chapter 11 or chapter 7 of the Bankruptcy Code shall not effect a termination of this Agreement by Buyer, Parent, or any such trustee so appointed or diminish the Parties' obligations hereunder, and this Agreement shall remain enforceable in accordance with its terms.

(b) Procedure upon Termination. In the event of termination by Buyer or Parent, or both, pursuant to Section 8(a), written notice thereof shall forthwith be given to the other Party, and this Agreement shall terminate and the purchase of the Acquired Assets hereunder shall be abandoned, without further action by Buyer or Parent. If this Agreement is terminated as provided herein, then each Party shall redeliver all documents, work papers and other material of any other Party relating to the transactions contemplated in this Agreement, whether so obtained before or after the execution hereof, to the Party furnishing the same.

(c) Expense Reimbursement and Break-Up Fee.

(i) Parent shall (and shall cause the Selling Affiliates to), within two (2) Business Days after any termination of this Agreement pursuant to Section 8(a)(iv) or Section 8(a)(x) reimburse Buyer for all of the reasonable out of pocket costs, fees and expenses incurred or to be incurred by Buyer or its Affiliates, including reasonable fees, costs and expenses of any professionals (including financial advisors, outside legal counsel, accountants, experts and consultants) retained by Buyer or its Affiliates in connection with or related to the authorization, preparation, investigation, negotiation, execution and performance of this Agreement, the transactions contemplated hereby, including the Chapter 11 Cases and other judicial and regulatory proceedings related to such transactions (such fees, costs and expenses, the "Reimbursable Expenses") by payment of the Expense Reimbursement to Buyer in cash; provided that Buyer shall present reasonable supporting documentation with respect to all costs, fees and expenses for which it desires reimbursement and provided, further, in no event shall Sellers be required to pay the Expense Reimbursement in an amount greater than Two Million Five Hundred Thousand Dollars (\$2,500,000) in the aggregate. For the avoidance of doubt, if Parent terminates this Agreement pursuant to Section 8(a)(v), Buyer shall not be entitled to the Expense Reimbursement, notwithstanding the fact that Sellers may enter into an Alternative Transaction following the date of such termination, so long as Parent shall not have been in breach of Section 5(d)(i) at the time of such termination.

(ii) Parent shall (and shall cause the Selling Affiliates to) (A) after any termination of this Agreement pursuant to Section 8(a)(x), (x) within two (2) Business Days after such termination, pay to Buyer out of the deposit received in connection with an Alternative Transaction, a cash amount equal to one-half of the Break-Up Fee and (y) upon the consummation of the Alternative Transaction authorized by the Bankruptcy Court in connection with the termination of this Agreement pursuant to Section 8(a)(x), pay to Buyer an amount in cash equal to one-half of the Break-Up Fee, (B) within two (2)

Business Days after any termination of this Agreement pursuant to Section 8(a)(iv), pay to Buyer a cash amount equal to one-half of the Break-Up Fee, solely to the extent that the breach or breaches of Parent that formed the basis for such termination are each Willful Breaches and (C) after any termination of this Agreement pursuant to Section 8(a)(iv), pay to Buyer a cash amount equal to one-half of the Break-Up Fee, solely to the extent (x) that the portion of the Break-Up Fee contemplated by clause (B) of this Section 8(c)(ii) has been, or was required to be, paid and (y) within twelve (12) months after the date of such termination, Sellers enter into or consummate an Alternative Transaction.

(iii) Parent acknowledges and agrees that (A) the payment of the Break-Up Fee (or a portion thereof, as the case may be) and the Expense Reimbursement are integral parts of the transactions contemplated by this Agreement, (B) in the absence of Sellers' obligations to make these payments, Buyer would not have entered into this Agreement, (C) time is of the essence with respect to the payment of the Break-Up Fee (or a portion thereof, as the case may be) and the Expense Reimbursement and (D) the Break-Up Fee (or a portion thereof, as the case may be) and the Expense Reimbursement shall constitute a super-priority, administrative expense of the Sellers' estates under Section 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code.

(d) Effect of Termination.

(i) If any Party terminates this Agreement pursuant to Section 8(a), then all rights and obligations of the Parties hereunder shall terminate upon such termination and shall become null and void (except that Section 1 (Definitions), Section 2(d)(iii) (Consideration), Section 5(g) (Press Releases and Public Announcements), Section 9 (Limitations), Section 10 (Miscellaneous), and this Section 8 (Termination) shall survive any such termination in accordance with their terms), and no Party shall have any liability to any other Party hereunder except as expressly set forth in this Section 8, Section 2(d)(iii), Section 5(d)(ii) or Section 10(w), and the Parties expressly waive any other rights to any claims of any nature for damages or otherwise in the event of a proper termination of this Agreement pursuant to Section 8(a).

(ii) If this Agreement is terminated in accordance with Section 8(a), (A) the Confidentiality Agreement shall survive such termination, and nothing in Section 8(b) or in this Section 8(d) shall relieve Buyer or Parent of their respective obligations under the Confidentiality Agreement, and (B) Buyer agrees that all prohibitions in the Confidentiality Agreement shall be extended to a period of three (3) years from the date of such termination.

(iii) Anything herein to the contrary notwithstanding, termination of this Agreement shall not affect or modify Parent's agreement and obligation to pay the Expense Reimbursement and Break-Up Fee subject to and in accordance with the terms and conditions hereof; provided, however, the Expense Reimbursement and Break-Up Fee are subject to Bankruptcy Court approval, which approval shall be requested in the Sale Motion.

Section 9. Limitations.

(a) No Reliance. In connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, Buyer has not relied upon, and Buyer expressly waives and releases Sellers and its Affiliates from any Liability for any claims (excluding claims based upon fraud or willful misconduct) relating to or arising from, any representation, warranty, statement, advice, document, projection, or other information of any type provided by Parent or its Affiliates or any of their respective Representatives, except for those representations and warranties expressly set forth in Section 3. In deciding to enter into this Agreement, and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own knowledge, investigation, judgment and analysis (and that of its Representatives) and not on any disclosure or representation made by, or any duty to disclose on the part of, Parent or its Affiliates or any of their respective Representatives, other than the express representations and warranties of Parent set forth in Section 3.

(b) Limited Duties. Any and all duties and obligations which any Party may have to any other Party with respect to or in connection with the Acquired Assets, this Agreement or the transactions contemplated hereby are limited to those specifically set forth in this Agreement. Neither the duties nor obligations of any Party, nor the rights of any Party, shall be expanded beyond the terms of this Agreement on the basis of any legal or equitable principle or on any other basis whatsoever. Neither any equitable or legal principle nor any implied obligation of good faith or fair dealing nor any other matter requires any Party to incur, suffer or perform any act, condition or obligation contrary to the terms of this Agreement, whether or not existing and whether foreseeable or unforeseeable. Each of the Parties acknowledges that it would be unfair, and that it does not intend, to increase any of the obligations of the other Party on the basis of any implied obligation or otherwise.

(c) LIMITATION OF REPRESENTATIONS AND WARRANTIES. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN SECTION 3, NONE OF PARENT, ITS SUBSIDIARIES, SELLING AFFILIATES OR ANY OTHER PERSON IS MAKING ANY OTHER REPRESENTATIONS OR WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, CONCERNING SELLERS, THEIR RESPECTIVE SUBSIDIARIES, THE ACQUIRED ASSETS OR ASSUMED LIABILITIES AND IT IS UNDERSTOOD THAT BUYER, WITH SUCH EXCEPTIONS, TAKES THE ACQUIRED ASSETS "AS IS" AND "WHERE IS". BUYER ACKNOWLEDGES THAT EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NONE OF PARENT, ITS SUBSIDIARIES, SELLING AFFILIATES OR ANY OTHER PERSON HAS MADE, AND EACH OF PARENT, ITS SUBSIDIARIES AND SELLING AFFILIATES HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER HEREBY EXPRESSLY WAIVES (EXCEPT WITH RESPECT TO FRAUD AND WILLFUL MISCONDUCT), ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE RELATING TO, AND BUYER HEREBY EXPRESSLY WAIVES AND RELINQUISHES ANY AND ALL RIGHTS, CLAIMS AND CAUSES OF ACTION AGAINST PARENT, ITS SUBSIDIARIES, SELLING AFFILIATES OR ANY OTHER PERSON AND THEIR RESPECTIVE AFFILIATES AND EACH OF THEIR RESPECTIVE REPRESENTATIVES IN CONNECTION WITH THE ACCURACY, COMPLETENESS OR MATERIALITY OF ANY INFORMATION, DATA OR OTHER



MATERIALS (WRITTEN OR ORAL) HERETOFORE FURNISHED TO BUYER OR ITS REPRESENTATIVES BY OR ON BEHALF OF PARENT, ITS SUBSIDIARIES, SELLING AFFILIATES OR ANY OTHER PERSON AND THEIR RESPECTIVE AFFILIATES OR ANY OF THEIR RESPECTIVE REPRESENTATIVES IN CONNECTION THEREWITH, EXCEPT TO THE EXTENT COVERED BY THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN SECTION 3 AND EXCEPT WITH RESPECT TO FRAUD AND WILLFUL MISCONDUCT. WITH RESPECT TO ANY PROJECTION OR FORECAST DELIVERED ON BEHALF OF PARENT, ITS SUBSIDIARIES, SELLING AFFILIATES OR ANY OTHER PERSON TO BUYER OR ITS REPRESENTATIVES, BUYER ACKNOWLEDGES THAT (I) THERE ARE UNCERTAINTIES INHERENT IN ATTEMPTING TO MAKE SUCH PROJECTIONS AND FORECASTS, (II) IT IS FAMILIAR WITH SUCH UNCERTAINTIES, (III) IT IS TAKING FULL RESPONSIBILITY FOR MAKING ITS OWN EVALUATION OF THE ADEQUACY AND ACCURACY OF ALL SUCH PROJECTIONS AND FORECASTS FURNISHED TO IT, AND (IV) IT SHALL HAVE NO CLAIM AGAINST PARENT, ITS SUBSIDIARIES, SELLING AFFILIATES OR ANY OTHER PERSON AND THEIR RESPECTIVE AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES WITH RESPECT THERETO.

(d) No Successor Liability. The Parties intend that, except where expressly prohibited under applicable Law, upon the Closing, Buyer shall not be deemed to: (i) be the successor of any Seller, (ii) have, de facto, or otherwise, merged with or into any Seller, (iii) be a mere continuation or substantial continuation of any Seller or the enterprise(s) of any Seller, or (iv) be liable for any acts or omissions of any Seller in the conduct of the Business or arising under or related to the Acquired Assets other than as set forth in this Agreement. Without limiting the generality of the foregoing, and except as otherwise provided in this Agreement, the Parties intend that Buyer shall not be liable for any bankruptcy claims, other claims, written notices, causes of action or Litigation against any Seller or any of any Seller's predecessors or affiliates, and Buyer shall have no successor or vicarious liability of any kind or character whether known or unknown as of the Closing Date, whether now existing or hereafter arising, or whether fixed or contingent, with respect to the Business, the Acquired Assets, the Excluded Assets or the Excluded Liabilities or any other obligations of Sellers, including, without limitation, Liabilities on account of any Taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Business or the Acquired Assets. The Parties agree that the provisions substantially in the form of this Section 9(d) shall be reflected in the Sale Order.

#### Section 10. Miscellaneous.

(a) Confidentiality. Buyer acknowledges that Information (as defined in the Confidentiality Agreement) has been, and in the future will be, provided to it in connection with this Agreement, including under Section 5(f)(i), and is subject to the Confidentiality Agreement, the terms of which are incorporated herein by reference. Parent and Buyer agree that contemporaneously with the filing of the Sale Motion, Parent shall file a separate motion with the Bankruptcy Court seeking to file certain agreed upon schedules, annexes and exhibits to this Agreement under seal to ensure the continued confidentiality of such schedules, annexes and exhibits and the information set forth therein, subject to Parent's ability to make such confidential information available to prospective bidders. Specifically, this Agreement may be

made available by Parent to prospective bidders following entry of the Bidding Procedures Order and such disclosure shall not be deemed to violate any confidentiality obligations owing to Buyer, whether pursuant to this Agreement, the Confidentiality Agreement or otherwise, provided that each such prospective bidder enters into a confidentiality agreement in form and substance reasonably acceptable to Buyer with respect to the information contained in this Agreement.

(b) Expenses. Except as otherwise provided in this Agreement (including Section 8(c)), Parent and the Selling Affiliates, on the one hand and Buyer, on the other hand, shall bear their own expenses, including attorney's fees, incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby. Notwithstanding the foregoing, in the event of any action or proceeding to interpret or enforce this Agreement, the prevailing Party in such action or proceeding (*i.e.*, the Party who, in light of the issues contested or determined in the action or proceeding, was more successful) shall be entitled to have and recover from the non-prevailing Party such costs and expenses (including all court costs and reasonable attorneys' fees) as the prevailing Party may incur in the pursuit or defense thereof. Buyer and Parent shall each be responsible for one-half of any HSR Act filing fees.

(c) Entire Agreement. This Agreement, the Related Agreements and the Confidentiality Agreement constitute the entire agreement between the Parties and supersede any prior understandings, agreements or representations by or between the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

(d) Incorporation of Schedules and Exhibits. The Disclosure Schedules, Annexes and Exhibits to this Agreement are incorporated herein by reference and made a part hereof.

(e) Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each Party except as expressly provided herein. No waiver of any breach of this Agreement shall be construed as an implied amendment or agreement to amend or modify any provision of this Agreement. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation or breach of warranty or covenant. No conditions, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the terms or conditions of this Agreement shall be binding unless this Agreement is amended or modified in writing pursuant to the first sentence of this Section 10(e). Except where a specific period for action or inaction is provided herein, no delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

(f) Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors (including any

trustee, receiver, manager, interim receiver or monitor or similar officer appointed in respect of Sellers in the Chapter 11 Cases or in any chapter 7 case into which the Chapter 11 Cases may be converted) and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

(g) Notices. All notices, requests, demands, claims and other communications hereunder will be in writing (including electronic and facsimile transmission) and shall be given,

If to Parent:

c/o Vertis Holdings, Inc.  
250 West Pratt Street, Suite 1800  
Baltimore, MD 21201  
Attention: Jeffrey P. Pritchett (jpritchett@vertisinc.com)  
Andrew Hede (ahede@alvarezandmarsal.com)

with a copy (which shall not constitute notice) to:

Cadwalader, Wickersham & Taft LLP  
One World Financial Center  
New York, New York 10281  
Attention: John J. Rapisardi  
Geoffrey W. Levin  
Zachary H. Smith

If to Buyer or Guarantor:

c/o Quad/Graphics, Inc.  
N61W23044 Harry's Way  
Sussex, WI 53089  
Attention: Andrew Schiesl

with a copy (which shall not constitute notice) to:

Arnold & Porter LLP  
399 Park Avenue  
New York, NY 10022-4690  
Attention: Michael J. Canning

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m., local time, in the place of receipt and such day is a Business Day. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day.

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner set forth in this Section 10(g).

(h) Governing Law; Jurisdiction. This Agreement shall in all aspects be governed by and construed in accordance with the Laws of the State of New York, without regard to any conflict of laws provision that would require the application of the Law of any other jurisdiction other than the principles set forth in Section 5-1401 of the General Obligations law of the State of New York. For so long as Sellers are subject to the jurisdiction of the Bankruptcy Court, the Parties irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, the Related Agreements or the transactions contemplated hereby or thereby, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Sellers are no longer subject to the jurisdiction of the Bankruptcy Court or if the Bankruptcy Court is unwilling or unable to hear any matter arising under or in connection with this Agreement, the Related Agreements or the transactions contemplated hereby or thereby, such matter shall be brought in the courts in the Court of Chancery for the State of Delaware in and for New Castle County (the "Chancery Court"), and in the event that the Chancery Court does not have subject matter jurisdiction as to a matter arising out of or relating to this Agreement, in any state or federal court of the State of Delaware located in New Castle County. Each of the Parties hereto agrees that any action instituted by it arising out of or relating to this Agreement will be instituted exclusively in one of the above specified courts. Each Party waives any defense of inconvenient forum to the maintenance of any dispute or action so brought, consents to service of process by mail and waives any objection to venue in any such court. Each Party agrees that a final judgment in any dispute or action so brought will be conclusive and may be enforced by dispute or action on the judgment or in any other manner provided at law (common, statutory or other) or in equity.

(i) Consent to Service of Process. Each of the Parties hereby consents to process being served by any Party in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 10(g).

(j) WAIVERS OF JURY TRIAL. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT.

(k) Specific Performance.

(i) Parent acknowledges and agrees that damages at law may be an inadequate remedy for the breach of any of Parent's covenants, promises and agreements contained in this Agreement, and, accordingly, Buyer shall be entitled to injunctive relief with respect to any such breach, including without limitation specific performance of such covenants, promises or agreements or an order enjoining Sellers from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement. The rights set forth in this Section 10(k)(i) shall be in addition to any other rights which Buyer may have at law or in equity pursuant to this Agreement.

(ii) Solely with respect to the Specific Buyer Agreements, Buyer acknowledges and agrees that damages at law may be an inadequate remedy for the

breach of any of the Specific Buyer Agreements contained in this Agreement, and, accordingly, Parent shall be entitled to injunctive relief solely with respect to any such breach of the Specific Buyer Agreements, including without limitation specific performance of only such Specific Buyer Agreements or an order enjoining Buyer from any threatened, or from the continuation of any actual, breach of only the Specific Buyer Agreements. The rights set forth in this Section 10(k)(ii) with respect to any Specific Buyer Agreements shall be in addition to any other rights which Parent may have at law or in equity with respect to such Specific Buyer Agreements pursuant to this Agreement.

(l) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement. In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated only to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect.

(m) Survival. The representations and warranties and the covenants required to be performed prior to the Closing Date contained in this Agreement shall terminate as of the Closing Date, and none of the parties shall have any Liability to each other after the Closing for any breach thereof. The covenants contained in this Agreement to be performed at or after the Closing shall survive the Closing until fully performed in accordance with their respective terms, and each party hereto shall be liable to the other after the Closing for any breach thereof.

(n) No Third Party Beneficiaries. Other than with respect to the Selling Affiliates under Section 6(d) and Section 6(f), this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. For avoidance of doubt, and without limitation, the Parties acknowledge and agree that all provisions contained in Sections 5(q) and 6(e) of this Agreement with respect to employees are included for the sole benefit of the respective Parties and shall not create any right (i) in any other Person, including any employees, former employees, any participant in any Employee Benefit Plan or any beneficiary thereof or (ii) to continued employment with Sellers or Buyer.

(o) Construction. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice versa. The words "including" and "include" and other words of similar import will be deemed to be followed by the phrase "without limitation." The words "herein," "hereto" and "hereby," and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement. References to Sections, clauses, subclauses, subparagraphs, Annexes and Exhibits herein are references to Sections, clauses, subclauses, subparagraphs, Annexes and Exhibits of this Agreement. The word "if" and other words of similar import will be deemed to be followed by the phrase "and only if." Any reference herein to law or to a law, statute, rule or regulation of any Governmental Entity (or any provision thereof) shall include all laws and such law, statute, rule or regulation promulgated thereunder (or provision thereof), including any successor thereto, as it may be amended from time to time. Any reference herein to "dollars" or "\$" shall mean United States dollars.

(p) Computation of Time. In computing any period of time prescribed by or allowed with respect to any provision of this Agreement that relates to Sellers or the Chapter 11 Cases, the provisions of rule 9006(a) of the Federal Rules of Bankruptcy Procedure shall apply.

(q) Mutual Drafting. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

(r) Headings; Table of Contents. The Section headings and the table of contents contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(s) Counterparts; Facsimile or Email Signatures. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile or email with scan attachment copies or pdf, each of which shall be deemed an original.

(t) No Right of Set-Off. Except as it relates to the disposition of the Deposit, the Working Capital Escrow Deposit and the Transfer Tax Escrow as expressly set forth in this Agreement, Buyer for itself and for its Affiliates, successors and assigns hereby unconditionally and irrevocably waives any rights of set-off, netting, offset, recoupment, or similar rights that Buyer or any of its Affiliates, successors and assigns has or may have with respect to the payment of the Initial Purchase Price, the Final Purchase Price or any other payments to be made by Buyer pursuant to this Agreement, the Related Agreements or any other document or instrument delivered by Buyer in connection herewith. The Working Capital Escrow Deposit shall be used solely in connection with any required payment by Parent of a Purchase Price Adjustment pursuant to Section 2(e)(iv), as provided in clause (B) of Section 2(e)(iv); in no event shall the Working Capital Escrow Deposit be used for any other purpose or be subject to any offset or other claims in connection with this Agreement or otherwise. The Transfer Tax Escrow shall be used solely in connection with any required payment by Parent of a Purchase Price Adjustment pursuant to Section 6(f)(i); in no event shall the Transfer Tax Escrow be used for any other purpose or be subject to any offset or other claims in connection with this Agreement or otherwise.

(u) Non-Disparagement. Buyer agrees to refrain from making any statements about Sellers or any of their respective current and former employees, officers or directors that would disparage or reflect unfavorably upon the image or reputation of Sellers or any such employee, officer or director. Parent agrees to (and shall cause the Selling Affiliates to) refrain from making any statements about Buyer or any of its current and former employees, officers or directors that would disparage or reflect unfavorably upon the image or reputation of Buyer or any such employee, officer or director.

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

(w) Remedies.

(i) LIQUIDATED DAMAGES. IF THERE SHALL BE A BREACH OF ANY REPRESENTATION, WARRANTY, OBLIGATION, COMMITMENT OR AGREEMENT MADE BY BUYER OR GUARANTOR, OR ANY COVENANT REQUIRED TO BE PERFORMED BY BUYER OR GUARANTOR OR ANY OTHER DEFAULT UNDER THIS AGREEMENT BY BUYER OR GUARANTOR PRIOR TO THE CLOSING, PARENT'S SOLE REMEDY SHALL BE TO TERMINATE THIS AGREEMENT PURSUANT TO AND TO THE EXTENT PROVIDED IN SECTION 8(a)(v) AND TO RECEIVE THE DEPOSIT AS DESCRIBED IN SECTION 2(d)(iii)(b) AS LIQUIDATED DAMAGES. PARENT, GUARANTOR AND BUYER ACKNOWLEDGE THAT PARENT'S DAMAGES WOULD BE DIFFICULT TO DETERMINE, AND THAT THE DEPOSIT IS A REASONABLE ESTIMATE OF PARENT'S DAMAGES. PARENT, GUARANTOR AND BUYER SPECIFICALLY FURTHER AGREE AFTER NEGOTIATION THAT THIS SECTION 10(w)(i) IS INTENDED TO AND DOES LIQUIDATE THE AMOUNT OF DAMAGES DUE PARENT, AND SHALL BE PARENT'S EXCLUSIVE REMEDY AGAINST BUYER AND GUARANTOR, BOTH AT LAW AND IN EQUITY ARISING FROM OR RELATED TO A BREACH OF ANY REPRESENTATION, WARRANTY, OBLIGATION, COMMITMENT OR AGREEMENT MADE BY BUYER OR GUARANTOR, OR ANY COVENANT REQUIRED TO BE PERFORMED BY BUYER OR GUARANTOR PRIOR TO THE CLOSING, THAT GIVES RISE TO A TERMINATION EVENT PURSUANT TO SECTION 8(a)(v) AND PARENT HEREBY WAIVES ANY AND ALL OTHER DAMAGES (INCLUDING PUNITIVE, CONSEQUENTIAL OR SPECIAL DAMAGES). THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH OF THE PARTIES TO ENTER INTO THIS AGREEMENT. FOR THE AVOIDANCE OF DOUBT, IN THE EVENT OF A BREACH BY BUYER OR GUARANTOR OF ANY PROVISION OF THIS AGREEMENT PARENT'S SOLE AND EXCLUSIVE REMEDY IS TO TERMINATE THIS AGREEMENT PURSUANT TO AND TO THE EXTENT PROVIDED IN SECTION 8(a)(v) AND TO RECEIVE LIQUIDATED DAMAGES AS SET FORTH IN THIS SECTION 10(w)(i). NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS SECTION 10(w)(i), PARENT SHALL IN ALL INSTANCES RETAIN ITS SPECIFIC PERFORMANCE RIGHTS AS SPECIFICALLY SET FORTH IN SECTION 10(k)(ii).

(ii) The Parties acknowledge and agree that, in addition to the remedies available to Buyer as set forth in Section 5(d)(ii), Section 8(c) and Section 10(k) and any other remedies available to Buyer under Law, upon a breach of any representation or warranty made by Parent, or any covenant required to be performed by Parent prior to the Closing, Buyer shall have the option to terminate this Agreement pursuant to and to the extent permitted by Section 8(a)(iv) and to receive the return of the Deposit to the extent provided in Section 2(d)(iii)(C).

(iii) If Buyer seeks to enforce the terms and provisions of this Agreement pursuant to Section 10(k)(i) and prevails in such action, then Buyer shall be entitled to recover from Parent, in addition to the remedies provided in Section 10(w)(ii), all costs

incurred in connection with such action, including reasonable legal fees, expenses and costs incurred at the trial court, all appellate courts and during negotiations.

(iv) If Parent seeks to enforce any of the Specific Buyer Agreements pursuant to Section 10(k)(ii) and prevails in such action, then Parent shall be entitled to recover from Buyer all costs incurred in connection with such action, including reasonable legal fees, expenses and costs incurred at the trial court, all appellate courts and during negotiations.

(x) Guaranty. (i) Subject to the conditions and limitations as set forth below, Guarantor hereby absolutely, irrevocably and unconditionally guarantees, as principal and not as surety, to Sellers the due and punctual payment and performance of all obligations of Buyer under this Agreement, subject in all cases to all rights of Buyer hereunder with respect to such obligations, including the remedies available to Parent in the event of a breach of any such obligations (the guaranty obligations under this Section 10(x), collectively, the "Guaranteed Obligations"). Notwithstanding any provision of this Section 10(x) to the contrary, Guarantor shall have and may assert against Parent and the Guaranteed Obligations, and the Guaranteed Obligations shall be subject to, any claim, right, deduction, limitation or defense of any kind that Buyer may have or may assert pursuant to the provisions of the Agreement, including without limitation Section 10(w)(i).

(ii) Guarantor guarantees that the Guaranteed Obligations will be duly and punctually paid and fully and completely performed (in the case of performance, as if Guarantor were the primary obligor) in accordance with the terms of this Agreement. If for any reason Buyer shall fail or be unable duly and punctually to pay or fully and completely to perform any Guaranteed Obligation as and when the same shall become due or otherwise required, then Guarantor shall, subject to the terms and conditions of this Agreement, forthwith duly and punctually pay or fully and completely perform such Guaranteed Obligation (in the case of performance, as if Guarantor was the primary obligor), subject in all cases to Buyer's rights under this Agreement with respect to such Guaranteed Obligations. Guarantor further agrees that this Agreement, to the extent it requires the payment of money, constitutes a guaranty of payment when due and not of collection and is in no way conditioned or contingent upon any attempt to collect from Buyer, but is subject to all terms and conditions of this Agreement.

(iii) Subject in all cases to Section 2(d)(iii)(B) and the fact that the Deposit shall represent liquidated damages for Parent in certain instances, Guarantor hereby unconditionally waives (A) any and all notices, including promptness, diligence, notice of acceptance of this Agreement and any other notice with respect to any of the Guaranteed Obligations and this Agreement, (B) any presentment, demand, performance, protest, notice of nonpayment as the same pertains to Buyer, suit or the taking of other action by Parent against, and any other notice to, Buyer, Guarantor or others with respect to any of the Guaranteed Obligations, (C) any right to require Parent to proceed against Buyer, (D) any defense based upon an election of remedies by Parent, unless the same would excuse performance by Buyer under this Agreement with respect to any of the Guaranteed Obligations and (E) any duty of Parent to advise Guarantor of any information known to Parent regarding Buyer or its ability to perform under this Agreement with respect to any of the Guaranteed Obligations. Parent may at any time, and from time to time, without notice to, or consent of, Guarantor and without



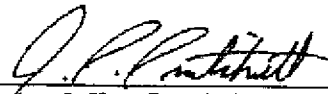
impairing or releasing the obligations of Guarantor hereunder, with respect to any of the Guaranteed Obligations, (1) agree with Buyer or Guarantor to make any change in the terms of the Guaranteed Obligations, or (2) exercise or refrain from exercising any rights against Buyer or Guarantor.

(iv) The provisions of this Section 10(x) shall continue to be effective or be reinstated, as the case may be, if (A) at any time and to the extent that any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by the payee thereof upon the insolvency, bankruptcy, reorganization or similar event of Buyer or Guarantor, all as though such payment had not been made, or (B) the obligations of Guarantor under this Section 10(x), with respect to any of the Guaranteed Obligations, are released in consideration of a payment of money or transfer of property by Buyer or any other Person and to the extent that such payment, transfer or grant is rescinded or must otherwise be returned by the recipient thereof upon the insolvency, bankruptcy, reorganization or similar event of Buyer, Guarantor or such other Person, all as though such payment, transfer or grant had not been made. Notwithstanding anything to the contrary contained herein, nothing in this Section 10(x) shall be deemed to constitute a waiver of, or prevent Guarantor from asserting, any valid defense that may be assertable by Buyer.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Agreement Date.

**VERTIS HOLDINGS, INC.**

By:   
Name: Jeffrey P. Pritchett  
Title: Interim Chief Financial Officer

**QUAD/GRAPHICS MARKETING, LLC:**

By: QUAD/GRAPHICS, INC., its managing member

By: \_\_\_\_\_  
Name:  
Title:

**QUAD/GRAPHICS, INC., as Guarantor:**

By: \_\_\_\_\_  
Name:  
Title:

*[Signature page to Asset Purchase Agreement]*

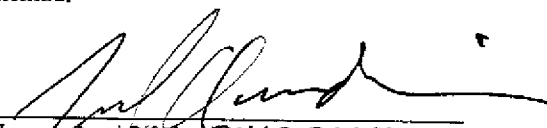
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Agreement Date.

**VERTIS HOLDINGS, INC.**

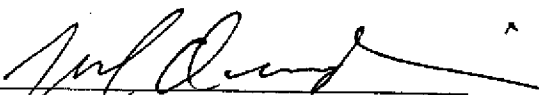
By: \_\_\_\_\_  
Name:  
Title:

**QUAD/GRAPHICS MARKETING, LLC:**

By: QUAD/GRAPHICS, INC., its managing member

By:   
Name: J. JOEL QUADRACCI  
Title: CHAIRMAN, PRESIDENT & CEO

**QUAD/GRAPHICS, INC., as Guarantor:**

By:   
Name: J. JOEL QUADRACCI  
Title: CHAIRMAN, PRESIDENT & CEO

*[Signature page to Asset Purchase Agreement]*

**EXHIBIT A**

**Form of Bidding Procedures Order**

See attached.

Exh. A-1

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

---

In re: : Chapter 11  
: :  
VERTIS HOLDINGS, INC., et al., : Case No. 12-\_\_\_\_ ( )  
: :  
Debtors. : Jointly Administered

---

**ORDER (I) AUTHORIZING AND APPROVING  
BIDDING PROCEDURES IN CONNECTION WITH  
THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS'  
ASSETS, (II) AUTHORIZING AND APPROVING STALKING  
HORSE PROTECTIONS, (III) AUTHORIZING AND APPROVING  
PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY  
CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH THE  
SALE, (IV) SCHEDULING AUCTION AND SALE APPROVAL HEARING,  
(V) AUTHORIZING AND APPROVING THE FORM AND MANNER OF THE NOTICE  
OF THE SALE HEARING, AND (VI) GRANTING CERTAIN RELATED RELIEF**

Upon the motion, dated October 10, 2012 (the "Motion"),<sup>1</sup> of Vertis Holdings, Inc. and certain of its subsidiaries, as debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"),<sup>2</sup> pursuant to sections 105, 363 and 365 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2002-1 and 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the

---

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Motion.

<sup>2</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are Vertis Holdings, Inc. (1556); Vertis, Inc. (8322); ACG Holdings, Inc. (5968); Webcraft, LLC (6725); American Color Graphics, Inc. (3976); Vertis Newark, LLC (6726); Mail Efficiency, LLC (4382); and 5 Digit Plus, LLC (8690). The address of the Debtors' corporate headquarters is: 250 West Pratt Street, Baltimore, MD 21201.

District of Delaware (the "Local Rules"), seeking entry of an order, among other things: (i) authorizing and approving the procedures ( the "Bidding Procedures") for (a) submitting bids for the purchase of substantially all of the Debtors' assets (the "Assets"), and (b) conducting an auction for the Assets (the "Auction"); (ii) authorizing and approving the proposed bid protections (the "Stalking Horse Protections") to Quad/Graphics Marketing, LLC (the "Stalking Horse Bidder") in accordance with that certain Asset Purchase Agreement dated October 10, 2012 (the "Stalking Horse Agreement") for the purchase of the Assets; (iii) authorizing and approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale of the Assets (the "Assumption and Assignment Procedures"); (iv) scheduling (a) a deadline to submit competing/higher bids for the Assets, (b) the date and time of the Auction, and (c) the date and time of the hearing to consider approval of the proposed sale of the Assets (the "Sale Approval Hearing"); (v) authorizing and approving the form and manner of notice of the deadline to submit bids for the Assets, the Auction and the Sale Approval Hearing; and (vi) granting certain related relief, all as more fully described in the Motion; and a hearing having been held to consider the relief requested in the Motion (the "Bidding Procedures Hearing"); and upon the Declaration of Jeffrey Pritchett in Support of the Chapter 11 Petitions and First Day Applications, the record of the Bidding Procedures Hearing, and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Motion and at the Bidding Procedures Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor:

**THE COURT HEREBY FINDS THAT:<sup>3</sup>**

A. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this district and this Court under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Motion are sections 105(a), 363, 365 and 503 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004 and 6006, and Local Rules 2002-1 and 6004-1.

C. Good and sufficient notice of the relief granted by this Order has been given in light of the circumstances and the nature of the relief requested in the Motion, and no other or further notice is required. A reasonable opportunity to object or be heard regarding the relief requested in the Motion has been afforded to those parties entitled to notice pursuant to Local Rule 2002-1(b).

D. The Debtors have demonstrated a compelling and sound business justification for this Court to grant the relief requested in the Motion, including, without limitation, authorization and approval of (i) the Bidding Procedures, (ii) the Stalking Horse Protections, and (iii) the Assumption and Assignment Procedures, which are, in each case, fair, reasonable, and appropriate under the circumstances described herein and in the Motion, and designed to maximize the recovery on, and realizable value of, the Assets.

---

<sup>3</sup> The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

E. The Bidding Procedures, in the form attached hereto as Exhibit 1 and incorporated herein by reference as if fully set forth in this Order, are fair, reasonable and appropriate and represent the best method for maximizing the value of the Debtors' estates.

F. The Stalking Horse Protections and the Overbid Increments are fair, reasonable and appropriate and provide a benefit to the Debtors' estates and creditors. The Debtors have demonstrated a compelling and sound business justification for the payment of the Break-Up Fee and Expense Reimbursement to the Stalking Horse Bidder under the circumstances, including, without limitation, that:

1. the Stalking Horse Protections are the product of negotiations among the Debtors and the Stalking Horse Bidder conducted in good faith and at arm's length, and the Stalking Horse Agreement (including the Stalking Horse Protections) is the culmination of a process undertaken by the Debtors and their professionals to negotiate a transaction with a bidder who was prepared to pay the highest or otherwise best purchase price to date for the Assets in order to maximize the value of the Debtors' estates;
2. the Stalking Horse Protections are an actual and necessary cost of preserving the Debtors' estates, within the meaning of section 503(b) of the Bankruptcy Code;
3. the Stalking Horse Protections are fair, reasonable and appropriate in light of, among other things, the size and nature of the proposed sale under the Stalking Horse Agreement, the substantial efforts that have and will be expended by the Stalking Horse Bidder, notwithstanding that the proposed sale is subject to higher and better offers, and the substantial benefits the Stalking Horse Bidder has provided to the Debtors, their estates and creditors and all parties in interest herein, including among other things, by increasing the likelihood that the highest and otherwise best bid for the Assets will be received;
4. the protections afforded to the Stalking Horse Bidder by way of the Stalking Horse Protections were material inducement for, and express conditions of, the Stalking Horse Bidder's willingness to expend considerable time and resources pursuing the purchase of the Assets and its willingness to enter into the Stalking Horse Agreement, and were necessary to ensure that the Stalking Horse Bidder would continue to pursue the proposed acquisition on terms acceptable to the Debtors in their business judgment, subject to competing bids; and



5. the assurance of the payment of the Stalking Horse Protections has promoted more competitive bidding by inducing the Stalking Horse Bidder's bid, which may be the highest and best available offer for the Assets, and which induced the Stalking Horse Bidder to submit a bid that will serve as a minimum or floor bid on which all other bidders can rely, and increases the likelihood that the final purchase price reflects the true value of the Assets such that the Stalking Horse Bidder will have improved the ability of the Debtors to receive the highest and otherwise best bid for the Assets.

G. The Sale Notice, substantially in the form attached hereto as Exhibit 2 and incorporated herein by reference as if fully set forth in this Order, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the sale of the Assets, the Bidding Procedures, the Auction and the Sale Approval Hearing, and no other or further notice is required.

H. The Publication Notice, substantially in the form attached hereto as Exhibit 3 and incorporated herein by reference as if fully set forth in this Order, is appropriate and reasonably calculated to provide all unknown creditors and parties not otherwise required to be served with a copy of the Sale Notice pursuant to this Order with proper notice of the sale of the Assets, the Bidding Procedures, the Auction and the Sale Approval Hearing.

I. The Cure Notice, substantially in the form attached hereto as Exhibit 4 and incorporated herein by reference as if fully set forth in this Order, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the assumption and assignment of the Contracts and the Leases in connection with the sale of the Assets and the related Cure Amount, and no other or further notice is required.

J. Entry of this Order is in the best interests of the Debtors and their respective estates and creditors, and all other parties in interest.

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:**

1. The portions of the Motion seeking approval of (i) the Bidding Procedures; (ii) the Break-Up Fee and Expense Reimbursement; (iii) the Notice Procedures; (iv) the Assumption and Assignment Procedures; and (v) setting the time, date and place for the Sale Hearing are GRANTED.

**Bidding Procedures**

2. The Bidding Procedures are approved, and the Debtors are authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures.

3. The Bidding Procedures shall govern the submission, receipt and analysis of all bids relating to the proposed sale of the Assets, and any party desiring to submit a higher or better offer for the Assets shall do so strictly in accordance with the terms of this Order and the Bidding Procedures.

4. As further described in the Bidding Procedures, any entity wanting to participate in the Auction must submit a Qualified Bid in writing to (i) the Debtors, Vertis Holdings, Inc., 250 W. Pratt Street, Baltimore, MD 21201, Attention: Gerald Sokol Jr., Chief Executive Officer, and Jeff Pritchett, Interim Chief Financial Officer, (ii) counsel for the Debtors, Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, NY 10281, Attention: John J. Rapisardi, Geoffrey W. Levin, and Zachary H. Smith, (iii) financial advisor and investment banker to the Debtors, Perella Weinberg Partners, 767 Fifth Avenue, New York, NY 10153, Attention: Joshua Scherer and Nikhil Menon, (iv) restructuring advisor to the Debtors, Alvarez & Marsal, 600 Madison Avenue, 8th Floor, New York, NY 10022, Attention: Andrew Hede and Ralph Schipani, (v) counsel to the Revolving Lenders, Winston & Strawn LLP, 200 Park Avenue, New York, NY 10166, Attention: William D. Brewer, and Winston & Strawn, LLP, 35 W. Wacker Drive, Chicago, IL 60601, Attention: Brian I. Swett, (vi)

financial advisor to the Revolving Lenders, CDG Group, LLC, 645 Fifth Avenue, 11th Floor, New York, NY 10022, Attention: Robert Del Genio, (vii) counsel to the term lenders (the "Term Lenders"), Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attention: Gerard Uzzi and Anne Knight, and White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attention: Eric F. Leicht and Justin Wagstaff, and (viii) financial advisor to the Term Lenders, Houlihan Lokey, 10250 Constellation Boulevard., 5th Floor, Los Angeles, CA 90067, Attention: Christopher DiMauro and Todd Hanson, **so as to be actually received on or before [\_\_\_\_], 2012 at 5:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline"). No bids submitted after the Bid Deadline shall be considered by the Debtors.

5. If two or more Qualified Bids, including the Stalking Horse Bid, are received on or before the Bid Deadline, the Debtors shall conduct the Auction, in accordance with the Bidding Procedures, commencing on [\_\_\_\_], 2012 at [\_\_\_\_] a.m. / p.m. (**prevailing Eastern Time**), at the offices of Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281, to determine the Successful Bid. The Auction may be adjourned or rescheduled by the Debtors as provided for in the Bidding Procedures. If the Stalking Horse Bid is the only Qualified Bid submitted by the Bid Deadline, as described in the Bidding Procedures, the Debtors shall not hold the Auction and the Stalking Horse Bid will be designated as the Successful Bid.

6. If the Auction is conducted, each Qualified Bidder participating in the Auction shall be required to confirm on the record at the Auction that it has not engaged in any collusion with respect to the bidding process or the sale. The Auction will be conducted openly and shall be transcribed and/or videotaped. Absent irregularities in the conduct of the Auction, the Court will not consider bids made after the Auction is closed.

7. As soon as possible after the conclusion of the Auction, if any, the Debtors shall file with the Bankruptcy Court a notice of the Successful Bidder.

8. The Sale Approval Hearing shall be held on [\_\_\_\_], 2012 at [\_\_\_\_] a.m. / p.m. (prevailing Eastern Time) at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, [ ] Floor, Courtroom [\_\_\_\_], Wilmington, Delaware 19801, before the Honorable [\_\_\_\_], United States Bankruptcy Judge. The Sale Approval Hearing may be adjourned or rescheduled as provided in the Bidding Procedures, without further notice by an announcement of the adjourned date at the Sale Approval Hearing.

9. If the Successful Bidder fails to timely consummate the purchase of the Assets, or any part thereof, pursuant to the terms and conditions of any applicable Asset Purchase Agreement, including the Stalking Horse Agreement, then the next highest or otherwise best Qualified Bid (if any) (the "Back-up Bid") may be designated by the Debtors, in consultation with the Prepetition Lenders, as the Successful Bid, and the Debtors shall be authorized, but not required, to consummate the sale of the Assets to the Qualified Bidder that submitted the Back-Up Bid pursuant to the terms of such Back-Up Bid as soon as is commercially reasonable; provided that if the Back-Up Bid is the Stalking Horse Bid, the Stalking Horse Agreement shall be open and irrevocable only until the expiration of the Outside Back-Up Date (as defined in the Stalking Horse Agreement). If the Back-Up Bid is the Stalking Horse Bid and the Successful Bidder fails to consummate the purchase of the Assets by the expiration of the Outside Back-Up Date as a result of a breach or failure to perform on the part of such Successful Bidder, and the Debtors provide notice to the Stalking Horse Bidder in writing of such failure before the expiration of the Outside Back-Up Date, as provided for in the Stalking Horse Agreement, then, if the Stalking Horse Bidder is the Back-Up Bidder, the Stalking Horse

Bidder will be deemed to have the new prevailing bid, and the Debtors will be authorized and directed, without further order of the Bankruptcy Court (except, at the election of the Stalking Horse Bidder, to the extent necessary to bring the Sale Order into conformity with the form of the Sale Order required by the Stalking Horse Agreement, without further notice and hearing required), to consummate the Stalking Horse Agreement on the terms set forth therein (as the same may be improved upon by the Stalking Horse Bidder in the Auction).

**Stalking Horse Protections**

10. The Debtors' selection of Quad/Graphics Marketing, LLC as the Stalking Horse Bidder is approved, and the Stalking Horse Bid shall be deemed a Qualified Bid for all purposes of the Bidding Procedures.

11. The proposed Stalking Horse Protections to be provided to the Stalking Horse Bidder, in the amounts of \$8,000,000 with respect to the Break-Up Fee, and \$2,500,000 with respect to the Expense Reimbursement, as set forth in the Stalking Horse Agreement, are deemed approved by the Court. The Debtors are authorized and directed to provide the Stalking Horse Bidder with the Stalking Horse Protections, and pay any and all such amounts owed to the Stalking Horse Bidder on account of the Stalking Horse Protections, pursuant to the terms of the Stalking Horse Agreement, without further order of the Court. The Break-Up Fee and Expense Reimbursement are each deemed an administrative expense of the Debtors' estates under section 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code.

12. Except for the Stalking Horse Bidder, no other Potential Bidder shall be entitled to any breakup fee, overbid fee, termination fee, expense reimbursement or similar type of payment.

### **Notice Procedures**

13. The Sale Notice is approved. Within three (3) business days of the entry of this Order, the Debtors shall serve the Sale Notice by first class mail on (i) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"), (ii) counsel for the Official Committee of Unsecured Creditors (the "Creditors' Committee"), (iii) all known creditors of the Debtors, (iv) any entity known or reasonably believed to have asserted an interest in or lien, charge, or encumbrance against any of the Assets, (v) all counterparties to Contracts and Leases, (vi) any entity that has expressed a bona fide interest in acquiring the Assets in the six (6) months preceding the date of the Motion, (vii) all taxing authorities having jurisdiction over any of the Assets, including the Internal Revenue Service, (viii) the Securities and Exchange Commission, (ix) the United States Environmental Protection Agency, (x) any applicable state environmental agency, (xi) the United States Department of Justice, (xii) the United States Attorney's office, (xiii) the Attorneys General in the States where the Assets are located, and (xiv) all parties that have requested notice pursuant to Bankruptcy Rule 2002.

14. Within three (3) business days of entry of this Order, the Debtors shall publish the Publication Notice in The Wall Street Journal or the New York Times and such other publication(s) as the Debtors and their advisors deem appropriate. Such Publication Notice shall be sufficient and proper notice to any other interested parties whose identities are unknown to the Debtors.

### **Assumption and Assignment Procedures**

15. The Assumption and Assignment Procedures are approved.

16. The Cure Notice is approved. Within five (5) business days after entry of this Order or as soon thereafter as practicable, the Debtors shall serve the Cure Notice by first class mail individually upon each non-Debtor counterparty to the Contracts and Leases proposed

to be assumed and assigned pursuant to the Stalking Horse Agreement. The Cure Notice shall include, for each counterparty, (i) the title of the Contract and Lease proposed to be assumed and assigned, (ii) the name of the counterparties to such Contracts and Leases, (iii) the amount, if any, determined by the Debtors to be necessary to be paid to cure any existing default under such Contract or Lease in accordance with sections 365(b) and (f)(2) of the Bankruptcy Code (the "Cure Amount"), and (iv) the deadline by which any counterparty to such Contracts and Leases must file an objection to the proposed assumption and assignment of such Contract or Lease, including, without limitation, as to the applicable Cure Amount and the ability of the Stalking Horse Bidder to provide adequate assurance of future performance under the applicable Contract or Lease within the meaning of section 365(b)(1)(C) of the Bankruptcy Code. The Debtors may supplement and modify the Cure Notice at any time, provided that to the extent that the Debtors add a Contract or Lease to the Cure Notice or modify the Cure Amount, the Debtors shall provide the affected party a separate notice and an opportunity to object to such addition or modification.

17. Within five (5) business days after entry of this Order or as soon thereafter as practicable, the Debtors will file under seal an alphabetized list of the counterparties to the Contracts and Leases who received the Cure Notice, and the proposed Cure Amount for each Contract and Lease (the "Cure List"), and serve the Cure List upon (i) counsel to the Stalking Horse Bidder, (ii) the U.S. Trustee, (iii) counsel to the Creditors' Committee, (iv) counsel to the Prepetition Lenders, and (v) counsel to the DIP Agent, and file an appropriate affidavit of service with respect to the same on the docket of these cases.

18. Any objection to the assumption and assignment of any Contract or Lease, including the ability of the Stalking Horse Bidder to provide adequate assurance of future

performance under the applicable Contract or Lease within the meaning of section 365(b)(1)(C) of the Bankruptcy Code, must (i) be in writing, (ii) comply with the Bankruptcy Rules and Local Rules, (iii) set forth the basis for the objection as well as any cure amount that the objector asserts to be due (in all cases with appropriate documentation in support thereof), and (iv) be filed with the Clerk of the Court, United States Bankruptcy Court for the District of Delaware, [\_\_\_\_\_] Floor, 824 Market Street, Wilmington, Delaware 19801, and served on (i) lead counsel to the Debtors, Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281, Attention: John J. Rapisardi, Esq. and Zachary H. Smith, Esq., (ii) Delaware co-counsel to the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attention: Jason M. Madron, Esq., (iii) counsel to the Stalking Horse Bidder, Arnold & Porter LLP, 399 Park Avenue, New York, New York 10022, Attention: Michael J. Canning, Esq., (iv) counsel to the Creditors' Committee, (v) counsel to the Revolving Lenders and the DIP Agent, Winston & Strawn LLP, 35 West Wacker Drive, Chicago, Illinois 60601, Attention: Brian I. Swett, Esq. and Winston & Strawn LLP, 200 Park Avenue, New York, New York 10155, Attention: William D. Brewer, Esq., (vi) counsel to the Required Term Lenders, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attention: Gerard Uzzi, Esq. and Anne Knight, Esq., and White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attention: Eric F. Leicht, Esq. and Justin Wagstaff, Esq., (vii) the U.S. Trustee, J. Caleb Boggs Federal Building, 844 North King Street, Suite 2207, Wilmington, DE 19801, Attention: David M. Klauder, Esq., and (viii) any persons who have filed a request for notice in the above-captioned chapter 11 cases pursuant to Local Rule 2002-1, so as to be actually received no later than [\_\_\_\_\_] , 2012 at 5:00 p.m. (prevailing Eastern Time) (the "Cure Objection Deadline").



19. To the extent that any entity does not timely object as set forth above, such entity shall be (i) forever barred and estopped from (a) objecting to the assumption and assignment of the Contracts and Leases, other than objecting to the ability of a Successful Bidder other than the Stalking Horse Bidder to provide adequate assurance of future performance under the Contracts and Leases within the meaning of section 365(b)(1)(C) of the Bankruptcy Code, (b) asserting that any conditions to the assumption and assignment of any Contract or Lease must be satisfied under such Contract or Lease before such Contract or Lease may be assumed and assigned, or that any required consent to any such assignment has not been given or (c) asserting that the Stalking Horse Bidder has failed to provide adequate assurance of future performance as contemplated under section 365(b)(1)(C) of the Bankruptcy Code in respect of any such Contract or Lease, (ii) deemed to have consented to the applicable Cure Amount, if any, and bound to such corresponding Cure Amount, (iii) deemed to have agreed that all defaults under the applicable Contract or Lease arising or continuing prior to the effective date of the assignment have been cured as a result or precondition of the assignment, such that the Successful Bidder or the Debtors shall have no liability or obligation with respect to any default occurring or continuing prior to the assignment, and from and after the date of the assignment of the applicable Contract or Lease shall remain in full force and effect for the benefit of the Successful Bidder and such entity in accordance with its terms, (iv) deemed to have waived any right to terminate the applicable Contract or Lease or designate an early termination date under the applicable Contract or Lease as a result of any default that occurred and/or was continuing prior to the assignment date, and (v) deemed to have agreed that the terms of the Sale Order shall apply to the assumption and assignment of the applicable Contract or Lease.

20. Any request for adequate assurance information regarding the Stalking Horse Bidder (a "Request for Adequate Assurance Regarding Stalking Horse Bidder") must include an email address, postal address and/or facsimile number to which a response to such request will be sent. Upon receiving a Request for Adequate Assurance Regarding Stalking Horse Bidder, the Debtors shall promptly provide such party with any non-confidential information reasonably related to adequate assurance by email, facsimile or overnight delivery, and the Stalking Horse Bidder shall promptly cooperate with the Debtors with respect to the provision of such non-confidential information.

21. If an objection is timely received and such objection cannot otherwise be resolved by the parties, the Court may hear such objection at the Sale Approval Hearing, if the Cure Notice is served at least seven (7) days prior thereto, or any later date set by the Court. The pendency of a dispute relating to the Cure Amount will not prevent or delay the assumption and assignment of any Contract or Lease.

#### **Objection Procedures**

22. All other objections to approval of the sale of the Assets to the Successful Bidder, including any objection to the ability of the Successful Bidder, to the extent the Successful Bidder is any entity other than the Stalking Horse Bidder, to provide adequate assurance of future performance under a Contract or Lease within the meaning of section 365(b)(1)(C) of the Bankruptcy Code, shall (i) be in writing, (ii) comply with the Bankruptcy Rules and the Local Rules, (iii) set forth the name of the objector, (iv) state with particularity the legal and factual bases for such objection, and (v) be filed with the Clerk of the Court, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, together with proof of service thereof, and served on the following parties so as to be **actually received** no later than 5:00 p.m. (prevailing Eastern

time) on [\_\_\_\_], 2012 (the “General Objection Deadline”): (i) Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, NY 10281, Attention: John J. Rapisardi, Esq. and Zachary H. Smith, Esq., (ii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attention: Jason M. Madron, Esq., (iii) the U.S. Trustee, (iv) the Securities and Exchange Commission, (v) the Internal Revenue Service, (vi) the United States Department of Justice, (vii) the United States Environmental Protection Agency, (viii) Winston & Strawn LLP, 200 Park Avenue, New York, NY 10166, Attention: William D. Brewer, and Winston & Strawn, LLP, 35 W. Wacker Drive, Chicago, IL 60601, Attention: Brian I. Swett, (ix) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attention: Gerard Uzzi and Anne Knight, and White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attention: Eric F. Leicht and Justin Wagstaff, (x) Arnold & Porter LLP, 399 Park Avenue, New York, New York 10022, Attention: Michael J. Canning, Esq., and (xi) any persons who have filed a request for notice in the above-captioned chapter 11 cases pursuant to Local Rule 2002-1 on or before the General Objection Deadline.

23. Any request for adequate assurance information regarding a Successful Bidder other than the Stalking Horse Bidder (a “Request for Adequate Assurance”) must include an email address, postal address and/or facsimile number to which a response to such request will be sent. Upon receiving a Request for Adequate Assurance, the Debtors shall promptly provide such party with any non-confidential information reasonably related to adequate assurance of such Successful Bidder by email, facsimile or overnight delivery, and such Successful Bidder shall promptly cooperate with the Debtors with respect to the provision of such non-confidential information.

24. Failure of any entity to file an objection on or before the General Objection Deadline or the Cure Objection Deadline, as applicable, shall be deemed to constitute consent of such entity to the sale of the Assets to the Successful Bidder and other relief requested in the Sale Motion, and be a bar to the assertion, at the Sale Approval Hearing or thereafter, of any objection to the Sale Motion, the Auction, the sale of the Assets, the assumption and assignment of Contracts and Leases to the Successful Bidder, the ability of the Successful Bidder to provide adequate assurance of future performance within the meaning of section 365(b)(1)(C) of the Bankruptcy Code, or the Debtors' consummation and performance of the terms of the Stalking Horse Agreement or applicable asset purchase agreement entered into with the Successful Bidder, if authorized by the Court.

**Related Relief**

25. All objections to entry of this Order that have not been withdrawn, waived, or settled as announced to the Court at the Bidding Procedures Hearing or by stipulation filed with the Court, and all reservations of rights included in such objections, if any, are overruled in their entirety, except as otherwise set forth herein.

26. This Order shall constitute findings of fact and conclusions of law and shall take effect upon execution hereof.

27. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 6006, 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry. The Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and may, in their discretion and without further delay, take any action and perform any act authorized under this Order.

28. The Debtors are authorized to execute and deliver all instruments and documents, and take such other action as may be necessary or appropriate to implement and effectuate the procedures contemplated by this Order.

29. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in these cases, the terms of this Order shall govern.

30. This Court shall retain jurisdiction with respect to all matters related to or arising from the implementation or interpretation of this Order.

Dated: \_\_\_\_\_, 2012  
Wilmington, Delaware

---

United States Bankruptcy Judge

**EXHIBIT 1**

**Bidding Procedures**

## EXHIBIT A

### BIDDING PROCEDURES

By Order of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), set forth below are the bidding procedures (the "Bidding Procedures") to be employed in connection with the sale of the Assets (as defined below) of Vertis Holdings, Inc. and certain of its affiliates that are debtors and debtors-in-possession (collectively, the "Debtors"), in the jointly administered cases (the "Cases") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") pending in the Bankruptcy Court (Case No. [ ]) Pursuant to the Bidding Procedures, the Debtors shall solicit bids for the purchase of the Assets (as defined below), conduct an auction for the Assets (the "Auction") if the Debtors receive two or more Qualified Bids (as defined below), and thereafter, seek entry of an order (the "Sale Order"), after notice and a hearing (the "Sale Approval Hearing"), authorizing and approving the sale of the Assets to the Successful Bidder (as defined below).

On October 10, 2012, the Debtors filed with the Bankruptcy Court, among other things, the "Motion of Debtors for Entry of (I) an Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (B) Authorizing and Approving Stalking Horse Protections, (C) Authorizing and Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with the Sale, (D) Scheduling Auction and Sale Approval Hearing, (E) Approving the Form and Manner of the Notice of the Sale Hearing, and (F) Granting Certain Related Relief; and (II) an Order (A) Approving the Sale of Substantially All of the Debtors' Assets, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases in Connection with the Sale, and (C) Granting Certain Related Relief" (the "Sale Motion"). On [•], the Bankruptcy Court entered an order approving the Bidding Procedures (the "Bid Procedures Order") and scheduling [•], 2012 at [•] a.m. / p.m. (prevailing Eastern Time) as the date and time that the Sale Approval Hearing will be held.

#### **A. Assets to be Sold**

The Debtors seek to sell substantially all of their assets, including, without limitation, all equipment, machinery, inventory, supplies, real property, software, intellectual property, cash, and accounts receivable (such assets, the "Assets").

#### **B. Free of Any and All Claims and Interests**

Except as otherwise provided in definitive documentation with respect to any sale of the Assets, all of the Debtors' rights, title and interest in and to the Assets, or any portion thereof, shall be sold pursuant to the Sale Order free and clear of all liens, claims, encumbrances, rights, remedies, restrictions, pledges, interests, liabilities, charges, options and contractual commitments of any kind or nature whatsoever, whether arising before or after the date that the Debtors filed the Cases in the Bankruptcy Court, whether at law or in equity, in accordance with section 363 of the Bankruptcy Code (collectively, the "Claims and Interests"), with such Claims and Interests to attach to the net proceeds of the sale of such Assets except, with respect to the Stalking Horse Bidder, as set forth in the Stalking Horse Agreement (defined below) and the Sale

Order, with respect to a Successful Bidder other than the Stalking Horse Bidder, to the extent otherwise set forth in the applicable Asset Purchase Agreement of such Successful Bidder.

**C. Stalking Horse Bid**

The Debtors have executed an Asset Purchase Agreement (collectively, with all ancillary documents and agreements, the "Stalking Horse Agreement") with Quad/Graphics Marketing, LLC (the "Stalking Horse Bidder") and Quad/Graphics, Inc. (the "Guarantor"), dated October 10, 2012, which contemplates the sale of substantially all of the Assets to the Stalking Horse Bidder in consideration for \$258,500,000 and the Working Capital Adjustment (as defined and provided for in the Stalking Horse Agreement) and the assumption of certain liabilities (the "Stalking Horse Bid"). The Stalking Horse Bid shall be deemed a Qualified Bid (as defined below) for purposes of these Bidding Procedures. The Debtors have agreed that in the event that the Bankruptcy Court approves the purchase of some or all of the Assets by any party other than the Stalking Horse Bidder, the Debtors shall (i) pay the Stalking Horse Bidder a break-up fee in the amount of \$8,000,000 (the "Break-Up Fee"), and (ii) reimburse the Stalking Horse Bidder for its reasonable out-of-pocket expenses up to an aggregate amount not to exceed \$2,500,000 (the "Reimbursable Expenses," and together with the Break-Up Fee, the "Stalking Horse Protections"), in accordance with the Stalking Horse Agreement and the Bidding Procedures Order.

**D. Bid Deadline**

Any entity wanting to submit a competing bid (a "Competing Bid") for all or substantially all of the Assets and participate in the Auction (a "Potential Bidder") must submit a Qualified Bid in writing so as to be actually received on or before [•], 2012 at 5:00 p.m. (prevailing Eastern Time) (the "Bid Deadline"), to each of the following parties: (i) the Debtors, Vertis Holdings, Inc., 250 W. Pratt Street, Baltimore, MD 21201, Attention: Gerald Sokol Jr., Chief Executive Officer, and Jeff Pritchett, Interim Chief Financial Officer, (ii) counsel for the Debtors, Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, NY 10281, Attention: John J. Rapisardi, Geoffrey W. Levin, and Zachary H. Smith, (iii) financial advisor and investment banker to the Debtors, Perella Weinberg Partners, 767 Fifth Avenue, New York, NY 10153, Attention: Joshua Scherer and Nikhil Menon, (iv) restructuring advisor to the Debtors, Alvarez & Marsal, 600 Madison Avenue, 8th Floor, New York, NY 10022, Attention: Andrew Hede and Ralph Schipani, (v) counsel to the Revolving Lenders, Winston & Strawn LLP, 200 Park Avenue, New York, NY 10166, Attention: William D. Brewer, and Winston & Strawn, LLP, 35 W. Wacker Drive, Chicago, IL 60601, Attention: Brian I. Swett, (vi) financial advisor to the Revolving Lenders, CDG Group, LLC, 645 Fifth Avenue, 11th Floor, New York, NY 10022, Attention: Robert Del Genio, (vii) counsel to the Term Lenders, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attention: Gerard Uzzi and Anne Knight, and White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attention: Eric F. Leicht and Justin Wagstaff, and (viii) financial advisor to the Term Lenders, Houlihan Lokey, 10250 Constellation Boulevard., 5th Floor, Los Angeles, CA 90067, Attention: Christopher DiMauro and Todd Hanson. No bids submitted after the Bid Deadline shall be considered by the Debtors.



### **E. Bid Requirements**

For the avoidance of doubt, the Debtors shall consider only Competing Bids for substantially all of the Assets; provided, however, the Debtors reserve the right, in consultation with the Revolving Lenders and the Term Lenders (collectively, the "Prepetition Lenders"), to accept bids for Assets that the Stalking Horse Bidder has explicitly excluded from the sale, as set forth in the Stalking Horse Agreement; provided further, however, the Debtors reserve the right, in consultation with the Prepetition Lenders, to aggregate Competing Bids from unaffiliated Potential Bidders for less than substantially all of the Assets, to create one Qualified Bid for all or substantially all of the Assets.

Only Competing Bids for the Assets that constitute "Qualified Bids" will be considered by the Debtors. Other than the Stalking Horse Bid, a "Qualified Bid," is an offer to purchase all or substantially all of the Assets that:

- specifically identifies the Assets to be purchased and the consideration to be paid for such Assets,
- proposes a purchase price for the Assets that is \$15,500,000 greater than the Stalking Horse Bid, which is the sum of the Stalking Horse Protections plus \$5,000,000,
- includes a copy of the Stalking Horse Agreement (i) executed by a duly authorized representative of the Potential Bidder, (ii) marked to reflect any and all modifications to the Stalking Horse Agreement (including modifications to any relevant exhibits, schedules or other documents), and (iii) which proposes a transaction that is no more burdensome or conditional, and is otherwise on terms and conditions better or more favorable to the Debtors, than the Stalking Horse Agreement,
- identifies the Potential Bidder and the officer(s) or authorized agent(s) who will appear on behalf of such Potential Bidder,
- provides (i) the most current audited and latest unaudited financial statements of the Potential Bidder ("Financials"), or (ii) if the Potential Bidder is an entity formed for the purpose of acquiring the Assets to be purchased, (a) Financials of the equity holder(s) of the Potential Bidder and (b) a written commitment for financing by such equity holder(s) of the Potential Bidder or another bona fide financing source to be responsible for the Potential Bidder's obligations with respect to the sale of the Assets that is satisfactory to the Debtors in their reasonable discretion, or (iii) such other form of financial disclosure as is acceptable to the Debtors, in consultation with the Prepetition Lenders, in each case that demonstrates to the Debtors, in consultation with the Prepetition Lenders, that the Potential Bidder has the financial wherewithal and operational ability to consummate the transaction contemplated by the Competing Bid,

- does not request or entitle the Potential Bidder to any breakup fee, overbid fee, termination fee, expense reimbursement, or similar type of payment,
- provides that such offer is not subject to any due diligence or financing contingency, further board or similar approval, or conditioned on bid protections,
- provides for a good faith deposit (a "Good Faith Deposit") to be submitted to the Debtors on or before the Bid Deadline in an amount equal to not less than 10% percent of the proposed purchase price,
- provides a representation that the Potential Bidder will make all necessary filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act"), and the Potential Bidder shall be responsible for any HSR Act filing fees,
- identifies any executory contracts ("Contracts") or unexpired leases ("Leases") to be assumed and assigned in connection with the proposed purchase of the Assets and provides evidence of the Potential Bidder's ability to provide adequate assurance of future performance under such Contracts and Leases,
- provides that such offer is irrevocable until two (2) business days after consummation of a transaction involving any other Potential Bidder or the Stalking Horse Bidder for the same Assets,
- includes a copy of a board resolution or similar document demonstrating the authority of the Potential Bidder to submit an offer to purchase the Assets on the terms proposed by such Potential Bidder, and
- contains the form of order approving the proposed transaction that the Potential Bidder would request the Debtors to submit to the Bankruptcy Court.

In order to facilitate the preparation and submission of bids for the Assets, the Debtors have (i) filed with the Bankruptcy Court and made publicly available the Stalking Horse Agreement, certain non-confidential schedules thereto, and form of the Sale Order, as exhibits to the Sale Motion, and (ii) filed with the Bankruptcy Court under seal, certain confidential schedules to the Stalking Horse Agreement (collectively, the "Confidential Schedules"). The Debtors may, in their business judgment, communicate with any Potential Bidder and may request any additional information reasonably required in connection with the evaluation of any such Potential Bidder or bid submitted by such Potential Bidder. The Prepetition Lenders shall be given a reasonable opportunity to review any such information and documentation, financial or otherwise, required of Potential Bidders by the Debtors prior to the Debtors' selection of Qualified Bids.

As soon as practicable after a Potential Bidder submits a Competing Bid, the Debtors, in consultation with the Prepetition Lenders, will determine whether such Competing Bid is a Qualified Bid and will notify such Potential Bidder of such determination. The Debtors may also request that any Qualified Bidder amend its bid to include additional requirements, if in their judgment such additional requirements will better promote the goals of the bidding process.

The Debtors, in their reasonable discretion and in consultation with the Prepetition Lenders, may reject any Competing Bid that is on terms that are more burdensome or conditional than the terms of the Stalking Horse Agreement. The Debtors, in consultation with the Prepetition Lenders, may aggregate separate Competing Bids from unaffiliated Potential Bidders to create one Qualified Bid, provided, however, that all such Potential Bidders shall remain subject to the provisions of section 363(n) of the Bankruptcy Code regarding collusive bidding.

**F. Due Diligence**

To the extent that any Potential Bidder desires any information or documentation other than the proposed Stalking Horse Agreement (including the non-confidential schedules), Bidding Procedures, Bidding Procedures Order, and form of the Sale Order, in each case as filed with the Bankruptcy Court incident to the Sale Motion, such Potential Bidder will be required to execute a confidentiality agreement in form and substance satisfactory to the Debtors in their business judgment and, in respect of the Confidential Schedules, reasonably acceptable to the Stalking Horse Bidder. Upon execution of such confidentiality agreement, the respective Potential Bidder will also be given access (through a virtual data room, site inspections or otherwise) to various financial data and other relevant and confidential information, until the Bid Deadline. The Debtors will designate a person from Perella Weinberg Partners to coordinate all requests from Potential Bidders for additional information or access. The Debtors may, in their discretion, coordinate due diligence investigations such that multiple Potential Bidders have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or site inspections. The Debtors shall not be authorized, nor obligated, to furnish access to any such information to any entity that does not execute a confidentiality agreement in form and substance satisfactory to the Debtors in their business judgment and, in respect of the Confidential Schedules, reasonably acceptable to the Stalking Horse Bidder. The Debtors shall not be authorized, nor obligated, to furnish Potential Bidders with access to any information of any kind whatsoever regarding the Assets after the Bid Deadline; provided, however, that the Debtors are authorized to furnish such information to Qualified Bidders after the Bid Deadline.

**G. The Auction**

If two or more Qualified Bids, including the Stalking Horse Bid, are received on or before the Bid Deadline, the Debtors shall conduct the Auction commencing on [•], 2012 at [•] a.m. / p.m. (prevailing Eastern Time) (the "Auction Date"), at the offices of Cadwalader, Wickersham & Taft LLP, One World Financial Center, New York, New York 10281, to determine the highest or otherwise best bid for the Assets (the "Successful Bid"). The Auction may be adjourned or rescheduled by the Debtors, in consultation with the Prepetition Lenders, without further notice by an announcement of the adjourned date at the Auction, for the purpose of facilitating the conduct and better promoting the goals of the Auction; provided, however, that any adjournment or rescheduling of the Auction Date of more than two (2) business days shall require the written consent of the Stalking Horse Bidder.

If the Stalking Horse Bid is the only Qualified Bid submitted by the Bid Deadline, the Debtors shall not hold the Auction, the Stalking Horse Bid shall be designated as the Successful Bid consistent with Section I below, and the Debtors shall file a notice of the foregoing with the Bankruptcy Court promptly after the Bid Deadline.

## H. Auction Procedures

Only an entity that has submitted a Qualified Bid (a "Qualified Bidder"), the Prepetition Lenders, any statutory committee of unsecured creditors (the "Creditors' Committee"), and such entities' respective advisors are eligible to participate in the Auction. All participants shall appear in person or through a duly authorized representative appearing in person. From and after the Bid Deadline, and prior to the Auction, the Debtors, in consultation with the Prepetition Lenders, shall select the Qualified Bid that, in their business judgment, reflects the highest or otherwise best value for the Debtors' estates as the starting bid (the "Starting Auction Bid") and advise all participants in the Auction of the terms of the Starting Auction Bid. Qualified Bidders may then submit bids that are better and higher than the Starting Auction Bid in an initial increment amount of \$5,000,000 (provided that if the Stalking Horse Bid is not the Starting Auction Bid, the Stalking Horse Bidder shall be entitled to a credit against the Purchase Price at the Closing equal to the amount of the Stalking Horse Protections in the event the Stalking Horse Bidder is the Successful Bidder (defined below)), and subsequent increments of \$5,000,000 (collectively, the "Overbid Increments"). The Debtors, in consultation with the Prepetition Lenders, shall determine whether any Qualified Bid is the Successful Bid pursuant to the "Determination of Successful Bid" section below.

The Debtors and their professionals shall direct and preside over the Auction. To the extent not inconsistent with these Bidding Procedures, the Debtors may cancel, adjourn, reschedule, continue, re-open or terminate the Auction; provided, however, that any such cancellation, adjournment, rescheduling, continuation, re-opening or termination of the Auction of more than two (2) business days shall require the written consent of the Stalking Horse Bidder. The Debtors, in consultation with the Prepetition Lenders, reserve the right to adopt other and further rules and procedures for the conduct of the Auction that, in their business judgment, will better promote the goals of the Auction, provided that such rules and procedures are not inconsistent with these Bidding Procedures.

## I. Determination of Successful Bid

If the Stalking Horse Bid is the only Qualified Bid submitted by the Bid Deadline, the Stalking Horse Bid shall be designated as the Successful Bid, and the Auction shall not be held. If two or more Qualified Bids are submitted by the Bid Deadline and the Auction is held, then, as soon as practicable following the Auction, the Debtors, in consultation with the Prepetition Lenders, shall review each Qualified Bid (as the same may have been improved at the Auction) that has been submitted and determine, in the Debtors' reasonable discretion and in consultation with the Prepetition Lenders, which Qualified Bid shall be deemed to be the Successful Bid. In making such determination, the Debtors, in consultation with the Prepetition Lenders, shall consider any factor that they deem relevant, including, without limitation, the purchase price, whether the Qualified Bid proposes to purchase less than all of the Assets, the payment of any Stalking Horse Protections, any benefit to the Debtors' estates from any proposal to assume liabilities of the Debtors, and those factors affecting the speed and certainty of consummating the sale of the Assets. The determination of the Successful Bid by the Debtors, after consultation with the Prepetition Lenders, shall be announced by the Debtors at the conclusion of the Auction and shall be final.

As soon as practicable following the determination of the Successful Bid, the Debtors shall file a notice with the Bankruptcy Court identifying the Qualified Bidder that submitted the Successful Bid (the "Successful Bidder") and serve such notice by telecopy, electronic mail transmission, or overnight delivery, upon the following entities: (i) the Office of the United States Trustee for the District of Delaware, (ii) counsel to the Prepetition Lenders, (iii) counsel to General Electric Capital Corporation, as administrative agent and collateral agent under the Debtors' postpetition financing facility, (iv) counsel to the Creditors' Committee, (v) all other parties that have filed notices of appearance in the Cases, (vi) all Qualified Bidders; and (vii) all non-Debtor counterparties to the Contracts and Leases proposed to be assumed and assigned under the Successful Bid.

The presentation of the Successful Bid to the Bankruptcy Court for approval in and of itself shall not constitute the Debtors' acceptance of such bid, and such Successful Bid shall be deemed accepted by the Debtors only when such bid has been approved by the Bankruptcy Court pursuant to the Sale Order.

**J. Back-Up Bid**

If the Successful Bidder fails to timely consummate the purchase of the Assets, or any part thereof, pursuant to the terms and conditions of any applicable Asset Purchase Agreement, including the Stalking Horse Agreement, then the next highest or otherwise best Qualified Bid (if any) (the "Back-up Bid") may be designated by the Debtors, in consultation with the Prepetition Lenders, as the Successful Bid, and the Debtors shall be authorized, but not required, to consummate the sale of the Assets to the Qualified Bidder that submitted the Back-Up Bid pursuant to the terms of such Back-Up Bid as soon as is commercially reasonable; provided that if the Back-Up Bid is the Stalking Horse Bid, the Stalking Horse Agreement shall be open and irrevocable only until the expiration of the Outside Back-Up Date (as defined in the Stalking Horse Agreement). If the Back-Up Bid is the Stalking Horse Bid and the Successful Bidder fails to consummate the purchase of the Assets by the expiration of the Outside Back-Up Date as a result of a breach or failure to perform on the part of such Successful Bidder, and the Debtors provide notice to the Stalking Horse Bidder in writing of such failure before the expiration of the Outside Back-Up Date, as provided for in the Stalking Horse Agreement, then the Stalking Horse Bidder will be deemed to have the new prevailing bid, and the Debtors will be authorized and directed, without further order of the Bankruptcy Court (except, at the election of the Stalking Horse Bidder, to the extent necessary to bring the Sale Order into conformity with the form of the Sale Order required by the Stalking Horse Agreement, without further notice and hearing required), to consummate the Stalking Horse Agreement on the terms set forth therein (as the same may be improved upon by the Stalking Horse Bidder in the Auction). If the Successful Bidder fails to consummate the purchase of the Assets because of a breach, default or failure to perform on the part of such Successful Bidder, the Debtors reserve the right to seek all available damages from such Successful Bidder only to extent specifically provided for by the terms, conditions and limitations of any applicable Asset Purchase Agreement, including the Stalking Horse Agreement.

**K. Reservation of Rights**

The Debtors reserve the right to (i) determine in their reasonable discretion and in consultation with the Prepetition Lenders, whether any Qualified Bid is a Successful Bid and (ii) reject, at any time prior to entry of the Sale Order by the Bankruptcy Court, without liability, any bid that the Debtors, in their reasonable discretion and in consultation with the Prepetition Lenders, determine to be (a) inadequate or insufficient, (b) not in conformity with the Bidding Procedures, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, or (c) contrary to the best interests of the Debtors and their estates, provided, however, if the Stalking Horse Bid is the only Qualified Bid submitted by the Bid Deadline, the Stalking Horse Bid shall be designated as the Successful Bid.

At or before the Sale Approval Hearing, the Debtors may, in consultation with the Prepetition Lenders, impose such other terms and conditions on the sale of the Assets with respect to all Qualified Bidders (other than the Stalking Horse Bidder if the Stalking Horse Bidder is the Successful Bidder), as the Debtors may determine to be in the best interests of the Debtors and their estates.

**L. Disposition of Good Faith Deposits**

All Good Faith Deposits shall be held in a separate interest-bearing escrow account for the benefit of the Debtors. As soon as practicable following the consummation of the sale of the Assets, any Good Faith Deposit received from a Qualified Bidder who is not determined to be the Successful Bidder shall be released from escrow and returned to such Qualified Bidder. If the Successful Bidder fails to consummate the purchase of the Assets, or any part thereof, because of a breach, default or failure to perform on the part of such Successful Bidder, the Debtors will not have any obligation to return the Good Faith Deposit deposited by such Successful Bidder, and such Good Faith Deposit shall irrevocably become property of the Debtors without affecting or reducing any of the Debtors' other rights or claims against such Successful Bidder. If a Successful Bidder fails to consummate the purchase of the Assets, or any part thereof, because of a breach, default or failure to perform on the part of the Debtors, the Good Faith Deposit deposited by such Successful Bidder shall be returned to such Successful Bidder. If a Successful Bidder consummates the purchase of the Assets, the Good Faith Deposit deposited by such Successful Bidder shall be applied as a credit toward the purchase price for the Assets. Anything in this subsection L or otherwise notwithstanding, all rights and remedies of the Debtors and the Stalking Horse Bidder in respect of the Deposit, as defined and provided for in the Stalking Horse Agreement, shall be governed only by the terms and conditions of the Stalking Horse Agreement.

**M. As Is, Where Is**

The Assets are being transferred on a "where is" and, as to condition, "as is" basis, free and clear of all Claims and Interests, and the Debtors are not making any representations or warranties whatsoever, express or implied, beyond those expressly given by the Debtors in the Stalking Horse Agreement. Except as otherwise expressly provided in these Bidding Procedures, the Stalking Horse Agreement, or any applicable Asset Purchase Agreement, by submitting a bid, each Potential Bidder that submits a bid shall be deemed to acknowledge and represent that (i) it has conducted to its satisfaction its own independent

investigation and has had an opportunity to conduct any and all reasonable due diligence regarding the Assets prior to making its bid, (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid, (iii) none of the Debtors will have or be subject to any liability resulting from the distribution to the Potential Bidder, or the Potential Bidder's use of, any such information, including any confidential memoranda distributed on behalf of the Debtors relating to the Assets or other publications or data room information provided to the Potential Bidder, or any other document or information in any form provided to the Potential Bidder in connection with the sale of the Assets and related transactions, and (iv) it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Assets, or the completeness of any information provided in connection therewith.

**N. Sale Approval Hearing**

The sale of the Assets and the applicable Asset Purchase Agreement shall be presented for authorization and approval by the Bankruptcy Court at the Sale Approval Hearing, which is scheduled to be held on [•], 2012 at [•] a.m. / p.m. (prevailing Eastern Time) at the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, [ ] Floor, Courtroom [ ], Wilmington, Delaware 19801, before the Honorable [ ], United States Bankruptcy Judge. Unless the Bankruptcy Court orders otherwise, the Sale Approval Hearing shall be an evidentiary hearing on all matters related to the proposed sale, and parties shall be prepared to present their evidence in support of or in opposition to the proposed sale at the Sale Approval Hearing. The Sale Approval Hearing may be adjourned or rescheduled by the Debtors without further notice by an announcement of the adjourned date at the Sale Approval Hearing; provided, however, that any adjournment or rescheduling of the Sale Approval Hearing of more than two (2) business days shall require the written consent of the Stalking Horse Bidder.

**O. Jurisdiction**

The Bankruptcy Court shall retain exclusive jurisdiction over any matter or dispute relating to the sale of the Assets, the Bidding Procedures, the Stalking Horse Agreement, any applicable Asset Purchase Agreement, and any other matter that in any way relates to the foregoing. All entities that submit a bid for the purchase of the Assets shall be deemed to have consented to the core jurisdiction of, and venue in, the Bankruptcy Court and to have waived any right to a jury trial in connection with any disputes relating to the sale of the Assets, the Bidding Procedures, the Stalking Horse Agreement, any applicable Asset Purchase Agreement, and any other matter that in any way relates to the foregoing.

**EXHIBIT 2**

**Sale Notice**



**EXHIBIT 3**

**Publication Notice**

**EXHIBIT 4**

**Cure Notice**

**EXHIBIT B**

Form of Sale Order

See attached.

Exh. B-1

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

---

In re:	:	Chapter 11
	:	
VERTIS HOLDINGS, INC., <u>et al.</u> ,	:	Case No. 12-____ ( )
	:	
Debtors.	:	Jointly Administered

---

**ORDER (I) AUTHORIZING AND APPROVING THE SALE  
OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE  
AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND  
OTHER INTERESTS PURSUANT TO ASSET PURCHASE AGREEMENT  
WITH QUAD/GRAPHICS MARKETING, LLC; (II) AUTHORIZING THE  
DEBTORS TO ENTER INTO AND PERFORM THEIR OBLIGATIONS  
UNDER THE ASSET PURCHASE AGREEMENT; (III) AUTHORIZING  
AND APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION  
WITH THE SALE; AND (IV) GRANTING CERTAIN RELATED RELIEF**

Upon the motion, dated October 10, 2012 [D.I. [ ]] (the "Motion"), of Vertis Holdings, Inc. and certain of its subsidiaries, as debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"),<sup>1</sup> pursuant to sections 105, 363 and 365 of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2002-1 and 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), seeking entry of an order, among other things, (i) authorizing and approving the Debtors to sell substantially all of their

---

<sup>1</sup> The Debtors in these cases, along with the last four (4) digits of each Debtor's federal tax identification number, are Vertis Holdings, Inc. (1556); Vertis, Inc. (8322); ACG Holdings, Inc. (5968); Webcraft, LLC (6725); American Color Graphics, Inc. (3976); Vertis Newark, LLC (6726); Mail Efficiency, LLC (4382); and 5 Digit Plus, LLC (8690). The address of the Debtors' corporate headquarters is: 250 West Pratt Street, Baltimore, MD 21201.

assets (the "Acquired Assets") free and clear of all liens, claims, encumbrances and other interests to Quad/Graphics Marketing, LLC (the "Buyer") pursuant to the terms and conditions of that certain Asset Purchase Agreement, dated October 10, 2012, attached as Exhibit 1 (together with all exhibits and schedules thereto, the "Agreement")<sup>2</sup>; (ii) authorizing and approving the entry into, performance under and the terms and conditions of the Agreement (including all actions taken or required to be taken in connection with the implementation and consummation of the Agreement); (iii) authorizing and approving the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale; and (iv) granting certain related relief, all as more fully described in the Motion and the Agreement; and the Court having entered an order on [\_\_\_\_], 2012 [D.I. [\_\_]] (the "Bidding Procedures Order") (i) approving procedures (the "Bidding Procedures") for (a) submitting bids for the purchase of substantially all of the Debtors' assets and (b) conducting an auction for the Debtors' assets (the "Auction"); (ii) approving the break-up fee and expense reimbursement for the stalking horse bidder; and (iii) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the sale of the Debtors' assets; and a hearing having been held to consider the relief requested in the Motion (the "Sale Approval Hearing"); and upon the record of the Sale Approval Hearing and all of the proceedings had before the Court; and the Court having found and determined that the relief requested in the Motion is in the best interests of the Debtors, their estates and creditors, and all other parties in interest and that the legal and factual bases set forth in the Motion and at the Sale Approval Hearing establish just cause for the relief granted in this Order; and after due deliberation and sufficient cause appearing therefor:

---

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

**THE COURT HEREBY FINDS THAT:<sup>3</sup>**

**Jurisdiction and Venue**

A. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this District and this Court under 28 U.S.C. §§ 1408 and 1409.

**Statutory Predicates**

B. The statutory predicates for the relief requested in the Motion are sections 105, 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, and Local Rules 2002-1 and 6004-1.

**Final Order**

C. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, this Court expressly finds that there is no just reason for delay in the implementation of this Order and that waiver of any applicable waiting period is appropriate, and expressly directs entry of judgment as set forth in this Order.

**Compliance with Bidding Procedures Order**

D. As demonstrated by (i) the testimony and other evidence proffered or introduced at the Sale Approval Hearing and (ii) the representations of counsel made on the record at the Sale Approval Hearing, the Debtors have thoroughly and fairly marketed the Acquired Assets and conducted the related sale process in good faith and in compliance in all

---

<sup>3</sup> The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

respects with the Bidding Procedures and the Bidding Procedures Order. All interested persons and entities have been afforded a full, fair and reasonable opportunity to (i) conduct due diligence investigations, (ii) submit bids and to submit higher or otherwise better bids to purchase the Acquired Assets, and (iii) object or be heard with respect to the Motion and the relief granted by this Order. The Bidding Procedures were non-collusive, formulated and implemented in good faith, were substantively and procedurally fair to all parties, and obtained the highest and/or best value for the Acquired Assets for the Debtors and their estates and creditors.

E. The Buyer is the Successful Bidder (as defined in the Bidding Procedures) for the Acquired Assets in accordance with the Bidding Procedures Order and the consideration provided by the Buyer under the Agreement constitutes the highest or otherwise best offer and provides fair and reasonable consideration to the Debtors for the sale of all the Acquired Assets and the assumption of all Assumed Liabilities. The Buyer has complied in all respects with the Bidding Procedures Order and any other applicable order of this Court in negotiating and entering into the Agreement, and the sale and the Agreement likewise comply with the Bidding Procedures Order and any other applicable order of this Court.

#### Notice

F. As evidenced by the affidavits of service and publication previously filed with the Court, proper, timely, adequate, and sufficient notice of the Motion, the Auction, the Sale Approval Hearing, the sale of the Acquired Assets (the "Sale"), and the assumption and assignment of the Assumed Contracts has been provided in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, all applicable Local Rules, and in compliance with the Bidding Procedures Order. Such notice was good, sufficient, and appropriate under the particular circumstances, and no other or further

notice of the Motion, the Auction, the Sale Approval Hearing, the Sale, the assumption and assignment of the Assumed Contracts, or entry of this Order is required.

G. Actual written notice of the Motion, the Auction, the Sale Approval Hearing, the Sale, and the assumption and assignment of the Assumed Contracts, and a fair and reasonable opportunity to object or otherwise be heard with respect to the Motion, the Sale and the relief granted by this Order has been afforded to all interested parties, including, without limitation, (i) the Office of the United States Trustee for the District of Delaware (the "United States Trustee"), (ii) counsel for the Official Committee of Unsecured Creditors (the "Creditors' Committee"), (iii) all known creditors of the Debtors, (iv) any entity known or reasonably believed to have asserted an interest in or lien, charge, encumbrance or other interest against any of the Acquired Assets, (v) all counterparties to the Assumed Contracts, (vi) any entity that has expressed a *bona fide* interest in acquiring the Acquired Assets in the six (6) months preceding the date of the Motion, (vii) all taxing authorities having jurisdiction over any of the Acquired Assets, including the Internal Revenue Service, (viii) the Securities and Exchange Commission, (ix) the United States Environmental Protection Agency, (x) any applicable state environmental agency, (xi) the United States Department of Justice, (xii) the United States Attorney's office, (xiii) the Attorneys General in any State or Commonwealth where the Acquired Assets are located, and (xiv) all parties that have requested notice pursuant to Bankruptcy Rule 2002.

H. The Debtors published notice of the Sale, the deadline to submit bids for the Acquired Assets, the time and place of the Auction, the time and place of the Sale Approval Hearing, and the time for filing an objection to the Sale or the Motion, in [\_\_\_\_\_] on [\_\_\_\_\_] 2012, and in [\_\_\_\_\_] on [\_\_\_\_\_] 2012. Such publication notice was good, sufficient, and proper notice to any interested parties whose identities are unknown to the Debtors.



I. The Debtors served notice of the assumption and assignment of the Assumed Contracts on the counterparties to the Assumed Contracts, which notice included (i) the title of each Assumed Contract, (ii) the name of the counterparties to each Assumed Contract, (iii) the amounts, if any, determined by the Debtors to be necessary to be paid upon assumption of the Assumed Contracts (the "Cure Amounts"), and (iv) the deadline by which any counterparty to the Assumed Contracts must object to the assumption and assignment of the Assumed Contracts. The service of such notice was good, sufficient, and appropriate under the particular circumstances and no other or further notice of the assumption and assignment of the Assumed Contracts or the Cure Amounts is required. Each counterparty to the Assumed Contracts has had an opportunity to object to the assumption by the Debtors and the assignment to the Buyer of the Assumed Contracts and to the Cure Amounts set forth in the notice.

J. On [\_\_\_\_], 2012, the Debtors served notice of the selection of the Buyer as the Successful Bidder for the Acquired Assets on (i) the United States Trustee, (ii) counsel for the Creditors' Committee, (iii) all known creditors of the Debtors, (iv) any entity known or reasonably believed to have asserted an interest in or lien, charge, or encumbrance against any of the Acquired Assets, (v) all counterparties to the Assumed Contracts, (vi) any entity that has expressed a *bona fide* interest in acquiring the Acquired Assets in the six (6) months preceding the date of the Motion, (vii) all taxing authorities having jurisdiction over any of the Acquired Assets, including the Internal Revenue Service, (viii) the Securities and Exchange Commission, (ix) the United States Environmental Protection Agency, (x) any applicable state environmental agency, (xi) the United States Department of Justice, (xii) the United States Attorney's office, (xiii) the Attorneys General in any State or Commonwealth where the Acquired Assets are located, (xiv) all parties that have requested notice pursuant to Bankruptcy Rule 2002, and (xv) all Qualified Bidders (as defined in the Bidding Procedures).

**Highest or Otherwise Best Offer**

K. The offer of Buyer, upon the terms and conditions set forth in the Agreement, including the form and total consideration to be realized by the Debtors pursuant to the Agreement; (i) is the highest and/or best offer received by the Debtors; (ii) is fair and reasonable; (iii) is in the best interests of the Debtors' creditors and estates; and (iv) constitutes fair value, fair, full and adequate consideration, reasonably equivalent value and reasonable market value for the Acquired Assets.

**Corporate Authority**

L. The Debtors have full corporate power and authority to execute and deliver the Agreement and all other documents contemplated thereby, including, without limitation, the Transition Services Agreement, and the Sale has been duly and validly authorized by all necessary corporate action of each of the Debtors, and upon entry of this Order the Debtors shall have full corporate power and authority to consummate the transactions contemplated by the Agreement. Except as otherwise set forth in the Agreement, no further consents or approvals are required for the Debtors to consummate the transactions contemplated by the Agreement.

**Good Faith Purchaser**

M. The Buyer is purchasing the Acquired Assets in good faith, and is a "good faith purchaser" within the meaning of section 363(m) of the Bankruptcy Code, and is therefore entitled to the full protection of that provision and any other applicable or similar bankruptcy and non-bankruptcy law. The Buyer has at all times acted in good faith and will continue to act in good faith within the meaning of section 363(m) of the Bankruptcy Code in closing the Sale. Neither the Buyer nor any of Buyer's affiliates is an "insider" of any of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code.

**Arm's-Length Sale**

N. The Agreement was negotiated, proposed, and entered into by the Debtors and the Buyer without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtors nor the Buyer have engaged in any conduct that would cause or permit the avoidance of the Sale or the Agreement or the imposition of costs or damages under section 363(n) of the Bankruptcy Code.

**Business Justification**

O. The Debtors have demonstrated good, sufficient and sound business reasons and compelling circumstances to enter into the Agreement, sell the Acquired Assets, and assume and assign the Assumed Contracts under sections 363 and 365 of the Bankruptcy Code, and such actions are appropriate and reasonable exercises of the Debtors' business judgment and in the best interests of the Debtors, their estates and creditors, and all other parties in interest. Such business reasons include, but are not limited to, the facts that (i) there is substantial risk of deterioration of the value of the Acquired Assets if the Sale is not consummated quickly, (ii) the Agreement constitutes the highest and/or best offer for the Acquired Assets, (iii) no other person or entity or group of persons or entities has offered to purchase the Acquired Assets for greater economic value to the Debtors' estates than the Buyer, and (iv) the Sale pursuant to the terms of the Agreement presents the best opportunity to realize the value of the Debtors and avoid decline and devaluation of the Debtors' businesses. The Debtors' determination that the Agreement constitutes the highest and/or best offer for the Acquired Assets constitutes a valid and sound exercise of the Debtors' business judgment.

P. The terms and conditions of the Agreement, including the consideration to be realized by the Debtors pursuant to the Agreement, are fair and reasonable, and the transactions contemplated by the Agreement are in the best interests of the Debtors, their estates

and creditors, and all other parties in interest. Approval of the Motion, the Agreement, the Sale, the assumption and assignment of the Assumed Contracts, and the consummation of the transactions contemplated thereby is in the best interests of the Debtors, their estates and creditors, and all other parties in interest.

**No Fraudulent Transfer**

Q. The consideration provided by the Buyer for the Acquired Assets pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest and/or best offer for the Acquired Assets, (iii) will provide a greater recovery for the Debtors' estates and creditors than would be provided by any other practical available alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, any other laws of the United States, and the laws of any state, territory, possession, and the District of Columbia.

R. The Buyer is not a mere continuation of the Debtors or their estates, there is no continuity or common identity between the Buyer and any of the Debtors, and there is no continuity of enterprise between the Buyer and any of the Debtors. The Buyer is not holding itself out to the public as a continuation of any of the Debtors. The Buyer is not a successor to any of the Debtors or their estates and the Sale does not amount to a consolidation, merger, or *de facto* merger of the Buyer with or into any of the Debtors. Neither entry into the Agreement nor the Sale of the Acquired Assets to the Buyer is being undertaken for the purpose of escaping liability for any of the Debtors' debts or hindering, delaying, or defrauding the Debtors' present or future creditors under the Bankruptcy Code, any other laws of the United States, or the laws of any state, territory, possession, or District of Columbia.

**DIP Payoff Amount**

S. As set forth in that certain Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Senior Secured Super-Priority Financing Pursuant to 11 U.S.C. §§ 361,

362, 363(c), 363(e), 364(d)(1) and 364(e) and (B) Utilize Cash Collateral of Certain Prepetition Secured Parties, (II) Authorizing the Repayment in Full of Amounts Owed Under the Prepetition Senior Secured Revolving Credit Facility, (III) Granting Priming Liens, Priority Liens and Superpriority Claims to the DIP Lenders, (IV) Granting Adequate Protection to Certain Prepetition Senior Secured Parties, (V) Scheduling a Final Hearing pursuant to Bankruptcy Rules 4001(b) and (c), and (VI) Granting Related Relief [D.I. \_\_\_\_] (the "Final DIP Order") and that certain Senior Secured Priming and Superpriority Debtor-In-Possession Credit Agreement, by and among, *inter alia*, the Debtors, General Electric Capital Corporation ("GE Capital") as administrative agent and collateral agent (in such capacities, the "DIP Agent") and the lenders party thereto (including GE Capital, collectively, the "DIP Lenders"), in substantially the form attached as Exhibit A to the Final DIP Order (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "DIP Credit Agreement"), and any related documents required to be delivered by or in connection with the DIP Credit Agreement (collectively, the "DIP Credit Documents"), the DIP Agent and the DIP Lenders are secured creditors of the Debtors, holding valid liens, claims, interests and encumbrances in, on and against the Debtors, their estates and property of the estates, arising in connection with the DIP Credit Documents, and under which the DIP Agent and the DIP Lenders hold a claim, not subject to subordination and otherwise unavoidable in these chapter 11 cases and any subsequent chapter 7 cases, against the Debtors for principal, accrued interest, reimbursable fees and expenses and rights with respect to the cash collateralization of issued and outstanding letters of credit as of the date of this Order in the amount of \$\_\_\_\_\_, plus interest, fees and reimbursable expenses accrued after the date of this Order and while the obligations under the DIP Credit Documents remain outstanding (collectively, the "DIP Payoff Amount").

### Free and Clear

T. Except as otherwise expressly provided in the Agreement or this Order, the Acquired Assets shall be sold free and clear of all interests, obligations, rights, encumbrances, pledges, liens (including, without limitation, mechanics', materialmen's, and other consensual and non-consensual liens and statutory liens), mortgages, deeds of trust, security interests, claims (including, any "claim" as defined in section 101(5) of the Bankruptcy Code), liabilities, debt obligations, losses, penalties, leases, charges, offsets, contracts, options, rights of first refusal, rights of first offer, rights of first sale, rights of notice, easements, servitudes, proxies, voting trusts or agreements, transfer restrictions under any agreement, conditional sale or other title retention agreements, judgments, hypothecations, demands, licenses, sublicenses, assignments, indentures, loan agreements, instruments, debts, rights of recovery, guaranties, contractual commitments, restrictions, recoupment, labor and employment rights and claims, employee benefit agreements and obligations, collective bargaining agreements and obligations, pension rights and claims, claims based on reimbursement, contribution, indemnity, exoneration, products liability, tortious conduct, property damage, personal injury, alter-ego or taxes, claims based on pension plan contributions and related liabilities, environmental liabilities or obligations (including, without limitation, toxic tort claims), options to purchase, regulatory violations, decrees of any court or foreign or domestic governmental entity, charges of any kind or nature, debts arising in any way in connection with any agreements, acts, or failures to act, reclamation claims, obligation claims and Excluded Liabilities, in each case, of whatever kind, nature, or description in, against or with respect to any of the Acquired Assets, the Debtors, or the Business having arisen, existed, or accrued prior to and through the Closing Date, whether direct or indirect, absolute or contingent, choate or

inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, material or non-material, disputed or undisputed, known or unknown, matured or unmatured, liquidated or unliquidated, arising or imposed by agreement, understanding, law, equity, statute, or otherwise, and whether arising prior to, on or after the Petition Date, including claims or liabilities otherwise arising under doctrines of successor liability, *de facto* merger or substantial continuity or liabilities or obligations arising under any Law or Decree (other than Liens created by the Buyer, the Permitted Liens, and the Assumed Liabilities, collectively, "Interests").

U. The Buyer is not a continuation of the Debtors or their respective estates and there is no continuity between Buyer and the Debtors. Buyer is not holding itself out to the public as a continuation of the Debtors or their respective estates and the Sale does not amount to a consolidation, merger or *de facto* merger of Buyer and the Debtors.

V. The transfer of the Acquired Assets to the Buyer free and clear of all Interests will not result in any undue burden or prejudice to any holders of any Interests as such Interests shall attach to the net proceeds of the Sale that are ultimately attributable to the Acquired Assets when received by the Debtors, including any amounts ultimately distributed to the Debtors from the Working Capital Escrow Deposit and Transfer Tax Escrow (each as defined and provided for in the Agreement, collectively, the "Escrowed Funds") but only to the extent actually received by the Debtors after disbursement of the Escrowed Funds in accordance with the terms of the Agreement, in the order of their priority, with the same validity, force and effect which they now have as against the Acquired Assets and subject to any claims and defenses the Debtors, their estates, or other parties may possess with respect to such Interests. For the avoidance of doubt, nothing contained in the Agreement, including, without limitation, Section

6(f)(v), regarding the allocation of the Initial Purchase Price, shall prejudice any party's right to submit valuation evidence in support of its claim against the Debtors' estates.

W. The Debtors may sell the Acquired Assets free and clear of all Interests because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. All holders of Interests who did not object or who withdrew their objections to the Sale or the Motion are deemed to have consented to the Sale and the relief requested in the Motion pursuant to section 363(f)(2) of the Bankruptcy Code. All other holders of Interests, including those who maintained and did not withdraw objections to the Sale or the Motion, if any, fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code, including, without limitation, section 363(f)(5) of the Bankruptcy Code because such holders could be compelled in a legal or equitable proceeding to accept a money satisfaction on account of such Interests, and are adequately protected by having their Interests, if any, attach to the net proceeds of the Sale that are ultimately attributable to the Acquired Assets when received by the Debtors (including any amounts ultimately distributed to the Debtors from the Escrowed Funds but only to the extent actually received by the Debtors after disbursement of the Escrowed Funds in accordance with the terms of the Agreement), in which such holders allege Interests, in the same order of priority, with the same validity, force and effect that such holders had prior to the Sale, subject to any claims and defenses the Debtors, their estates, or other parties may possess with respect to such Interests. For the avoidance of doubt, nothing contained in the Agreement, including, without limitation, Section 6(f)(v), regarding the allocation of the Initial Purchase Price, shall prejudice any party's right to submit valuation evidence in support of its claim against the Debtors' estates.

X. The Buyer would not have entered into the Agreement and will not consummate the transactions contemplated thereby, thus adversely affecting the Debtors, their



estates, creditors, and other parties in interest, if the Sale and the assumption and assignment of the Assumed Contracts were not free and clear of all Interests, or if the Buyer, its affiliates, or their respective officers, directors or shareholders, or the Acquired Assets, would, or in the future could, be liable for any such Interests, or would have any liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or equity, or by payment, setoff, or otherwise, directly or indirectly, any Interests, including rights or claims based on any successor or transferee liability.

Y. Not selling the Acquired Assets free and clear of all Interests would adversely impact the Debtors' efforts to maximize the value of their estates, and the Sale of the Acquired Assets other than one free and clear of all Interests would be of substantially less benefit to the Debtors' estates.

#### **Validity of Transfer**

Z. The consummation of the Agreement and the Sale is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f), and all of the applicable requirements of such Sections have been complied with in respect of the transactions contemplated under the Agreement.

AA. The Acquired Assets constitute property of the Debtors' estates and good and indefeasible title to the Acquired Assets is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code, and no other person has any ownership right or ownership interest therein or title thereto.

BB. Pursuant to the terms of the Agreement, the Buyer is not acquiring any of the Excluded Assets.

CC. The transfer of the Acquired Assets to Buyer under the Agreement will be a legal, valid and effective transfer of all of the legal, equitable and beneficial right, title and interest in and to the Acquired Assets free and clear of all Interests. The Debtors may sell their interests in the Acquired Assets free and clear of all Interests because, in each case, one or more of the standards set forth in section 363(f) has been satisfied. The transfer of the Acquired Assets to Buyer will vest Buyer with good and marketable title to the Acquired Assets.

**Assumed Contracts**

DD. The assumption and assignment of the Assumed Contracts (as such Assumed Contracts may be amended, supplemented or otherwise modified prior to assumption and assignment without further order of the Court and with the consent of the Debtors, the contract counterparty and the Buyer) free and clear of Interests pursuant to the terms of this Order is integral to the Agreement and is in the best interests of the Debtors, their estates and creditors, and all other parties in interest, and represents a reasonable exercise of the Debtors' sound and prudent business judgment.

EE. Pursuant to the terms of the Agreement, on or before the Closing Date, the Debtors shall have: (i) cured or provided adequate assurance of cure of, any monetary default existing as of and including the Closing Date under any of the Assumed Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code and (ii) provided compensation, or adequate assurance of compensation, to any party for actual pecuniary loss to such party resulting from a monetary default existing as of and including the Closing Date under any of the Assumed Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code.

FF. Buyer has demonstrated adequate assurance of its future performance under the Assumed Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code. Pursuant to section 365(f) of the Bankruptcy Code, the Assumed Contracts

to be assumed and assigned under the Agreement shall be assigned and transferred to, and remain in full force and effect for the benefit of, Buyer notwithstanding any provision in the contracts or other restrictions prohibiting their assignment or transfer.

**Compelling Circumstances for an Immediate Sale**

GG. To maximize the value of the Acquired Assets, preserve the viability of the business to which the Acquired Assets relate, and avoid deterioration, erosion of value, and uncertainty with respect to the future operation of the Acquired Assets, it is essential that the Sale of the Acquired Assets occur within the time constraints set forth in the Motion, the Bidding Procedures Order, and the Agreement. Time is of the essence in consummating the Sale. Accordingly, there is cause to waive the stay contemplated by Bankruptcy Rules 6004 and 6006.

HH. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the approval and consummation of the Sale prior to, and outside of, a chapter 11 plan. The Sale pursuant to the Agreement neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a liquidating chapter 11 plan for the Debtors, and therefore; does not constitute a *sub rosa* plan.

II. Given all of the circumstances of these cases and the adequacy and fair value of the Purchase Price under the Agreement, the Sale of the Acquired Assets to the Buyer constitutes a reasonable and sound exercise of the Debtors' business judgment.

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:**

**General Provisions**

1. The Motion is granted and approved as provided in this Order. The Motion complies with all provisions of Local Rule 6004-1 other than those previously waived by the Court.

2. All objections and responses, if any, to the Sale or the Motion that have not been withdrawn, waived, or settled, and all reservations of rights included in such objections and responses, are overruled on the merits and denied with prejudice. All persons and entities given notice of the Motion that failed to timely object thereto, including, without limitation, all non-debtor parties to the Assumed Contracts, are deemed to have consented to the relief sought therein.

3. This Court's findings of fact and conclusions of law set forth in the Bidding Procedures Order are incorporated in this Order by reference.

**Approval of the Agreement**

4. The Agreement and all other ancillary documents, including, without limitation, the Transition Services Agreement, and all of the terms and conditions of the Agreement and such other ancillary documents, including, without limitation, the Transition Services Agreement, are approved in all respects.

5. Pursuant to section 363(b) of the Bankruptcy Code, the Debtors are authorized and directed (a) to take any and all actions necessary or appropriate to execute and deliver, perform under, consummate, implement, and effectuate the Agreement together with any and all instruments and documents, including, without limitation, the Transition Services Agreement, that may be reasonably necessary or desirable to implement and effectuate the terms of the Agreement, this Order, and the Sale, and to take all further actions as may be reasonably requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer, or reducing to possession, the Acquired Assets, free and clear of all Interests, and the Assumed Liabilities, (b) to assume and assign the Assumed Contracts to the Buyer on the Closing Date pursuant to the terms of the Agreement, and (c) to take any and all actions as may be necessary or appropriate to the performance of the Debtors' obligations as

contemplated by the Agreement, without any further corporate action or order of this Court. For the avoidance of doubt, nothing in this Order authorized, or shall be deemed to authorize, the Debtors to use the Escrowed Funds prior to the time (if any) that the Escrowed Funds are disbursed in accordance with the terms of the Agreement, and then only to the extent actually received by the Debtors.

#### **Transfer of the Acquired Assets**

6. Except as otherwise expressly provided in the Agreement or this Order, pursuant to sections 105(a), 363(b), 363(f), 365(b), and 365(f) of the Bankruptcy Code, the Debtors are authorized and directed to transfer the Acquired Assets to the Buyer on the Closing Date pursuant to the terms and conditions of the Agreement and this Order free and clear of all Interests, with all such Interests to attach to the net proceeds of the Sale that are ultimately attributable to the Acquired Assets when received by the Debtors (including any amounts ultimately distributed to the Debtors from the Escrowed Funds but only to the extent actually received by the Debtors after disbursement of the Escrowed Funds in accordance with the terms of the Agreement), in the order of their priority, with the same validity, force and effect which they now have as against the Acquired Assets and subject to any claims and defenses the Debtors, their estates or other parties may possess with respect to such Interests.

7. The transfer of the Acquired Assets to the Buyer will be, as of the Closing Date, a legal, valid, binding and effective transfer of the Acquired Assets, and, except as otherwise expressly provided in the Agreement or this Order, shall vest the Buyer with all right, title, and interest of the Debtors in and to the Acquired Assets free and clear of all Interests accruing, arising, or relating to such Acquired Assets any time prior to and through the Closing Date. Except as otherwise expressly provided in the Agreement or this Order, the Buyer shall not assume or become liable for any Interests relating to the Acquired Assets, provided,

however, that the Buyer shall not be relieved of liability with respect to Liens created by the Buyer, the Permitted Liens, and the Assumed Liabilities.

8. To the fullest extent permitted under applicable law, the Buyer shall be authorized, as of the Closing Date, to operate under any license, Permit, registration and governmental authorization or approval of the Debtors with respect to the Acquired Assets or the Business, and all such licenses, Permits, registrations and governmental authorizations and approvals are deemed to have been, and hereby are, directed to be transferred to the Buyer as of the Closing Date.

9. Except as expressly permitted or otherwise specifically provided by the Agreement or this Order, all persons and entities (including, but not limited to, all debt security holders, equity security holders, affiliates, governmental, tax and regulatory authorities, lenders, customers, vendors, employees, trade creditors, litigation claimants and other creditors) and their respective successors and assigns holding Interests in all or any portion of the Acquired Assets arising under or out of, in connection with, or in any way relating to the Debtors, the Acquired Assets, the operation of the Business prior to and including the Closing Date or the transfer of the Acquired Assets to the Buyer, are hereby forever barred, estopped, and permanently enjoined from asserting such Interests against the Buyer, its successors and assigns, and their property, including, without limitation, the Acquired Assets. Following the Closing, no holder of any Interest shall interfere with Buyer's title to or use and enjoyment of the Acquired Assets based on or related to any such Interest, or based on any action the Debtors may take in their Chapter 11 Cases.

10. On the Closing Date, each holder of an Interest is authorized and directed to execute such documents and take all other actions as may be necessary to release such

Interest, if any, as provided for in this Order, as such Interests may have been recorded or may otherwise exist.

11. Upon consummation of the transactions contemplated in the Agreement, the Buyer shall be authorized to file termination statements or lien terminations in any required jurisdiction to remove any record, notice filing, or financing statement recorded to attach, perfect, or otherwise notice any lien or encumbrance that is extinguished or otherwise released pursuant to this Order under section 363 and the related provisions of the Bankruptcy Code.

12. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Acquired Assets to the Buyer in accordance with the terms of the Agreement and this Order.

13. All persons and entities that are in possession of some or all of the Acquired Assets on the Closing Date are directed to surrender possession of such Acquired Assets to the Buyer on the Closing Date.

14. A certified copy of this Order may be filed with any appropriate clerk and/or recorded with any appropriate recorder to act to cancel any of the Interests of record in the Acquired Assets and to resolve any title issues with respect to the Acquired Assets.

15. If any person or entity which has filed statements or other documents or agreements evidencing Interests with respect to all or any portion of the Acquired Assets shall not have delivered to the Debtors prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary or desirable to the Buyer for the purpose of documenting the release of all Interests that the person or entity has or may assert with respect to all or any portion of the Acquired Assets, the Debtors and the Buyer are hereby

authorized to execute and file such statements, instruments, releases, and other documents on behalf of such person or entity with respect to the Acquired Assets.

16. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks or other intellectual property, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease, and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

17. This Order shall be effective as a determination that, as of the Closing, (i) no Interests (other than Assumed Liabilities) will be capable of being asserted against the Buyer or any of its respective assets (including the Acquired Assets), (ii) the Acquired Assets shall have been transferred to Buyer free and clear of all Interests and (iii) the conveyances described herein have been effected.

**Assumption and Assignment of Assumed Contracts**

18. Except as otherwise expressly provided in the Agreement or this Order, upon the Closing Date, pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, the Debtors are authorized and directed to (a) assume each of the Assumed Contracts and assign the Assumed Contracts to the Buyer free and clear of all Interests and (b) execute and deliver to the Buyer such documents or other instruments as may be necessary to assign the Assumed Contracts to the Buyer.



19. The Cure Amounts set forth on Exhibit 2 attached to this Order are the sole amounts necessary to be paid upon assumption of the Assumed Contracts under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code and the payment of the applicable Cure Amounts by the Debtors, shall, subject to the terms of the Stalking Horse Agreement, (a) effect a cure of all defaults existing under the Assumed Contracts as of and including the Closing Date and (b) compensate the counterparties to the Assumed Contracts for any actual pecuniary loss resulting from all defaults existing under the Assumed Contracts as of and including the Closing Date. Upon the payment of the Cure Amounts, if any, the Assumed Contracts will remain in full force and effect, and no default shall exist under the Assumed Contracts nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default. The Cure Amounts shall not be subject to further dispute or audit, including any based on performance prior to the Closing Date, irrespective of whether such Assumed Contract contains an audit clause. After the payment of the Cure Amounts by the Debtors, neither the Debtors nor the Buyer shall have any further liabilities to the counterparties to the Assumed Contracts other than the Buyer's obligations under the Assumed Contracts that accrue and become due and payable on or after the Closing Date.

20. Any provisions in any Assumed Contract that prohibit or condition the assignment of such Assumed Contract or allow the counterparty to such Assumed Contract to terminate, recapture, impose any penalty, condition on renewal or extension, or modify any term or condition upon the assignment of such Assumed Contract, constitute unenforceable anti-assignment provisions that are void and of no force and effect. All other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to Buyer of the Assumed Contracts have been satisfied.

21. Each Assumed Contract constitutes an executory contract or unexpired lease under section 365 of the Bankruptcy Code and all other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to the Buyer of the Assumed Contracts have been satisfied. Upon the Closing Date, in accordance with sections 363 and 365 of the Bankruptcy Code, (a) the Buyer shall be fully and irrevocably vested with all right, title, and interest of the Debtors under the Assumed Contracts, (b) the Buyer shall be deemed to be substituted for the Debtors as a party to the applicable Assumed Contracts, and (c) the Debtors shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Assumed Contracts.

22. The Buyer has provided adequate assurance of future performance under the relevant Assumed Contracts within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code.

23. There shall be no rent accelerations, assignment fees, increases, or any other fees charged to the Buyer or the Debtors as a result of the assumption and assignment of the Assumed Contracts. The validity of the assumption and assignment of the Assumed Contracts to the Buyer shall not be affected by any dispute between any of the Debtors or their affiliates and any counterparty to an Assumed Contract regarding the payment of any amount, including any Cure Amount under the Bankruptcy Code. Upon assignment to the Buyer, the Assumed Contracts shall be valid and binding, in full force and effect, and enforceable by the Buyer in accordance with their respective terms.

24. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, all counterparties to the Assumed Contracts are hereby forever barred and permanently enjoined from (a) raising or asserting against the Debtors or the Buyer any assignment fee, default, acceleration, breach, claim, pecuniary loss, or condition to assignment arising under or related to

the Assumed Contracts existing as of and including the Closing Date or arising by reason of the closing of the Sale, including any breach related to or arising out of change-of-control provisions in such Assumed Contracts, or any purported written or oral modification to the Assumed Contracts and (b) asserting against Buyer (or its property, including the Acquired Assets) any claim, counterclaim, defense, breach, condition or setoff asserted or capable of being asserted against the Debtors existing as of the Closing Date or arising by reason of the Closing.

25. The failure of the Debtors or the Buyer to enforce at any time one or more terms or conditions of any Assumed Contract shall not be a waiver of such terms or conditions, or of the Buyer's rights to enforce every term and condition of the Assumed Contracts.

26. Any party that may have had the right to consent to the assignment of a Assumed Contract is deemed to have consented to such assignment for purposes of section 365(e)(2)(A)(ii) of the Bankruptcy Code and otherwise if such party failed to object to the assumption and assignment of such Assumed Contract.

27. Notwithstanding anything to the contrary in this Order, no Assumed Contracts shall be assumed and assigned to Buyer until the Closing.

**No Successor or Transferee Liability**

28. Except as otherwise expressly provided in the Agreement or this Order, the Buyer shall not have any liability or other obligation of the Debtors arising under or related to any of the Acquired Assets or the Business except with respect to Liens created by the Buyer, the Permitted Liens, and the Assumed Liabilities. Without limiting the generality of the foregoing, and except as otherwise specifically provided in the Agreement or this Order, the Buyer shall not be liable for any Interests, claims or liabilities against the Debtors or any of its predecessors or affiliates, and the Buyer shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, any theory of antitrust, environmental (including,

without limitation, the presence of hazardous, toxic, polluting, or contaminating substances or wastes), products liability, successor or transferee liability, labor law, *de facto* merger or substantial continuity, whether known or unknown as of and including the Closing Date, now existing or hereafter arising, whether asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors or any obligations of the Debtors arising prior to and including the Closing Date, including, but not limited to, liabilities on account of any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Business or any of the Acquired Assets prior to and including the Closing Date. For the avoidance of doubt, except to the extent expressly included in the Assumed Liabilities, the Buyer shall have no liability or obligation under any Multiemployer Plan (as defined in the Agreement), any Employee Benefit Plan (other than any Assumed Benefit Plan but only to the extent expressly provided in the Agreement), the WARN Act (as defined in the Agreement), the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), COBRA (as defined in the Agreement), the Fair Labor Standard Act, Title VII of the Civil Rights Act of 1964 (as amended), the Age Discrimination and Employment Act of 1967 (as amended), the Federal Rehabilitation Act of 1973 (as amended), the NLRA (or other collective bargaining laws) or any foreign, federal, state or local law or regulation of similar import or otherwise by virtue of Buyer's purchase of the Acquired Assets or assumption of the Assumed Liabilities by Buyer. Further for the avoidance of doubt, (a) Buyer is not assuming, and shall have no liability for, arising under or relating to COBRA with respect to any Employee Benefit Plan and any and all such liability shall be an Excluded Liability and (b) Buyer is not assuming, and shall have no liability for, arising under or relating to any Multiemployer Plan for any liability relating to a "complete withdrawal" or "partial withdrawal" (as respectively defined in Sections 4203 and 4205 of ERISA), or other pension plan (within the meaning of Section 3(2) of

ERISA) that is subject to Title IV of ERISA or Section 412 or 430 of the Code and any and all such Liability shall be an Excluded Liability. The Buyer has given substantial consideration under the Agreement for the benefit of the holders of any Interest. The consideration given by the Buyer shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Buyer, which releases shall be deemed to have been given in favor of the Buyer by all holders of Interests.

29. Upon the Closing Date and except as otherwise expressly provided in the Agreement and this Order, all persons and entities are hereby forever prohibited and permanently enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other proceeding against the Buyer, its successors and assigns, or the Acquired Assets, with respect to any (a) Interest arising under, out of, in connection with or in any way relating to the Debtors, the Buyer, the Acquired Assets, the Business or the operation of the Acquired Assets or the Business prior to and including the Closing Date or (b) successor or transferee liability, including, without limitation, the following actions: (i) commencing or continuing in any manner any action or other proceeding against the Buyer, its successors or assigns, assets, or properties, (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Buyer, its successors or assigns, assets or properties, (iii) creating, perfecting, or enforcing any Interest against the Buyer, its successors or assigns, assets, or properties, (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Buyer or its successors or assigns, or (v) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Order or other orders of this Court, or the agreements or actions contemplated or taken in respect of this Order and such other orders.

**Good Faith of Buyer**

30. The transactions contemplated by the Agreement are undertaken by the Buyer and the Debtors without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided in this Order to consummate the Sale shall not affect the validity of the Sale (including the assumption and assignment of the Assumed Contracts), unless such authorization and consummation of such Sale are duly stayed pending such appeal.

31. Neither the Debtors nor Buyer have engaged in any action or inaction that would cause or permit the Sale to be avoided or costs or damages to be imposed under section 363(n) of the Bankruptcy Code. The consideration provided by the Buyer for the Acquired Assets under the Agreement is fair and reasonable and the sale may not be avoided under section 363(n) of the Bankruptcy Code.

#### **Related Relief**

32. Upon the Closing Date, the Debtors are authorized and directed to pay, or cause to be paid, to the DIP Agent and the DIP Lenders the DIP Payoff Amount by wire transfer of immediately available funds to the bank account designated by the DIP Agent in full and final satisfaction of the Debtors' obligations under the DIP Documents (other than those obligations which by their terms survive termination thereof). For the avoidance of doubt, the Escrowed Funds shall not be available to pay off the DIP Payoff Amount, or for any other use by the Debtors, prior to the time (if any) that the Escrowed Funds, are disbursed in accordance with the terms of the Agreement, and then only to the extent actually received by the Debtors.

33. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (a) these Chapter 11 Cases, (b) any subsequent chapter 7 case into which any such Chapter 11 Case may be converted, or (c) any related proceeding subsequent to

entry of this Order, shall conflict with or derogate from the provisions of the Agreement or the terms of this Order.

34. Notwithstanding the possible applicability of Bankruptcy Rules 6004, 6006, 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry. The Debtors are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order, and may, subject to the terms and conditions of the Agreement, and in their discretion and without further delay, close the transactions contemplated under the Agreement and take any action and perform any act authorized under this Order.

35. Buyer shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the Agreement or any other sale-related document. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the preceding sentence, provided however that this Court shall retain exclusive jurisdiction over any and all disputes with respect thereto.

36. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.

37. Except as otherwise expressly provided in the Agreement, there are no brokers involved in consummating the Sale and no brokers' commissions are due. Buyer is not and will not become obligated to pay any fee or commission or like payment to any broker, finder or financial advisor as a result of the consummation of the transaction contemplated by the Agreement based upon any arrangement made by or on behalf of the Debtors.

38. To the extent permitted by Bankruptcy Code section 525, no governmental unit may revoke or suspend any permit or license relating to the operation of the Acquired Assets

sold, transferred, assigned or conveyed to Buyer on account of the filing or pendency of these Chapter 11 Cases or the consummation of the Sale.

39. The Buyer shall have no obligation to proceed with Closing unless and until all conditions precedent to its obligations to do so, as set forth in the Agreement, have been met, satisfied or waived in accordance with the terms of the Agreement.

40. The failure specifically to include any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Agreement be authorized and approved in its entirety.

41. The Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof, without further order of this Court; provided, that any such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates; provided, further, that in no event shall such modification, amendment, or supplement (except with respect to modifications, amendments or supplements to the Agreement that are required or expressly permitted pursuant to the terms and conditions thereof) be adverse to the lenders under the Term Loan or the ABL unless consented to by the respective administrative agent.

42. The terms and provisions of the Agreement and this Order shall be binding in all respects upon the Debtors, their respective affiliates, estates and creditors, all holders of equity interests in any of the Debtors, all holders of any Interest, all counterparties to any Assumed Contract, all interested parties in the Chapter 11 Cases and their respective successors and assigns, the Buyer and its successors and assigns, and any trustees, if any, subsequently appointed in any of the Debtors' Chapter 11 Cases or upon a conversion to chapter 7 under the Bankruptcy Code of any of the Debtors' cases. This Order and the Agreement shall inure to the



benefit of the Debtors, their estates and creditors, the Buyer, and their respective successors and assigns.

43. This Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Agreement, all amendments to this Order and the Agreement, any waivers and consents under this Order and the Agreement, and each of the agreements executed in connection with this Order and the Agreement to which the Debtors are a party or which has been assigned by the Debtors to the Buyer, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Agreement, the Sale, or this Order. This Court retains jurisdiction to compel delivery of the Acquired Assets, to protect the Buyer and its assets, including the Acquired Assets, against any Interests and successor and transferee liability and to enter orders, as appropriate, pursuant to sections 105, 363 or 365 (or other applicable provisions) of the Bankruptcy Code necessary to transfer the Acquired Assets and the Assumed Contracts to Buyer.

44. Each and every federal, state, and local governmental agency or department is directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and this Order.

45. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

46. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in these Chapter 11 Cases, the terms of this Order shall govern.

47. To the extent there are any inconsistencies between the terms of this Order and the Agreement (including all ancillary documents executed in connection this Order and the Agreement), the terms of this Order shall govern.

48. The provisions of this Order are nonseverable and mutually dependent.

Dated: \_\_\_\_\_, 2012  
Wilmington, Delaware

\_\_\_\_\_  
THE HONORABLE [ ]  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**Asset Purchase Agreement**

**EXHIBIT 2**

**Cure Amounts**

**EXHIBIT C**

Form of Escrow Agreement

See attached.

Exh. C-1

**TRADEMARK**  
**REEL: 005289 FRAME: 0557**

## ESCROW AGREEMENT

This ESCROW AGREEMENT is entered into as of October 10, 2012 (this "Escrow Agreement"), by and among Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Buyer"), Quad/Graphics, Inc., a Wisconsin corporation ("Guarantor"), Vertis Holdings, Inc., a Delaware corporation ("Parent"), and together with Buyer and Guarantor, sometimes referred to individually as a "Party" and collectively as the "Parties", and JPMorgan Chase Bank, N.A. (the "the Escrow Agent"). All capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Asset Purchase Agreement (as defined below).

**WHEREAS**, Parent, Buyer and Guarantor, have entered into that certain Asset Purchase Agreement, dated as of the date hereof (as amended from time to time in accordance with the terms therein, the "Asset Purchase Agreement").

**WHEREAS**, Pursuant to the terms of the Asset Purchase Agreement, Buyer or Guarantor, on behalf of Buyer, is required to deposit:

(a) an aggregate of Twenty Five Million Eight Hundred Fifty Thousand Dollars (\$25,850,000) on the date hereof (the "Deposit") into an escrow account with the Escrow Agent (the "Deposit Escrow Account");

(b) an aggregate amount of Forty Million Dollars (\$40,000,000.00) upon the closing of the transactions contemplated by the Asset Purchase Agreement (the "Working Capital Escrow Amount") into a separate escrow account with the Escrow Agent (the "Working Capital Escrow Account"); and

(c) an aggregate amount of One Million Dollars (\$1,000,000.00) upon the closing of the transactions contemplated by the Asset Purchase Agreement (the "Transfer Tax Escrow Amount" and together with the Deposit and the Working Capital Escrow Amount, the "Escrow Property") into a separate escrow account with the Escrow Agent (the "Transfer Tax Escrow Account");

in each case, as provided in this Escrow Agreement, which Escrow Property shall be available, subject to the terms and conditions of this Escrow Agreement, to pay amounts determined to be due and owing to Parent or Buyer upon the Closing or termination of the Asset Purchase Agreement or upon the final determination of the Closing Working Capital; and

**WHEREAS**, Buyer agrees to place in escrow the Escrow Property and the Escrow Agent agrees to hold and distribute such funds in accordance with the terms of this Escrow Agreement.

**NOW, THEREFORE**, in consideration of the premises set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. **Appointment of the Escrow Agent; Receipt of Escrow Property.** The Parties hereby appoint and designate the Escrow Agent as the escrow agent for the purposes set forth herein, and the Escrow Agent hereby accepts such appointment and agrees to hold the Escrow Property (including any dividends, interest, gains, and other distributions earned on such amounts as provided in Section 2(b) of this Escrow Agreement) and administer the same in accordance with the terms and conditions set forth herein. Buyer shall deliver the Escrow Property to the Escrow Agent in immediately available funds as follows:

(a) Buyer or Guarantor, on behalf of Buyer, shall deposit with the Escrow Agent the Deposit on the date hereof; and

(b) Buyer or Guarantor, on behalf of Buyer, shall deposit with the Escrow Agent the Working Capital Escrow Amount and Transfer Tax Escrow Amount on the Closing Date.

2. **Establishment of Escrow Accounts; Investments.**

(a) Establishment of Escrow Accounts. Upon delivery of the Escrow Property, receipt of which, in each case, shall be acknowledged in writing by the Escrow Agent to Parent and Buyer, the Escrow Agent agrees to hold the Escrow Property (including any dividends, interest, gains, and other distributions earned on such amounts as provided in Section 2(b) of this Escrow Agreement) in the following manner:

(i) the full amount of the Deposit (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b) of this Escrow Agreement) shall be held in the Deposit Escrow Account as a segregated account which shall be designated as the "Quad Deposit Account";

(ii) the full amount of the Working Capital Escrow Amount (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b) of this Escrow Agreement) shall be held in the Working Capital Escrow Account as a segregated account which shall be designated as the "Quad Working Capital Escrow Account"; and

(iii) the full amount of the Transfer Tax Escrow Amount (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b) of this Escrow Agreement), shall be held in the Transfer Tax Escrow Account as a segregated account which shall be designated as the "Quad Transfer Tax Escrow Account".

(b) Investments. The Escrow Agent shall hold the Escrow Property and shall invest and reinvest the Escrow Property and proceeds thereof (the "Fund") in a JPMorgan Money Market Deposit Account ("MMDA") or a successor or similar investment offered by the Escrow Agent. MMDAs have rates of compensation that may vary from time to time based upon market conditions. The Parties recognize and agree that instructions to make any other investment (an "Alternative Investment"), must be in writing and executed by an Authorized Representative (as defined in Section 4 below), and shall specify the type and identity of the investments to be purchased and/or sold. The Escrow Agent is hereby authorized to execute purchases and sales of investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Escrow Agent or any of its affiliates may receive compensation with respect to any Alternative Investment directed hereunder including without limitation charging any applicable agency fee in connection with each transaction. The Escrow Agent will not supervise, recommend or advise regarding the investment of the Fund or the purchase, sale, retention or other disposition of any investment described herein, and the Escrow Agent shall have no liability for any loss in an investment made pursuant to the terms of this Escrow Agreement. Market values, exchange rates and other valuation information (including without limitation, market value, current value or notional value) of any Alternative Investment furnished in any report or statement may be obtained from third party sources and is furnished for the exclusive use of the Parties. The Escrow Agent has no responsibility whatsoever to determine the market or other value of any Alternative Investment and makes no representation or warranty, express or implied, as to the accuracy of any such valuations or that any values necessarily reflect the proceeds that may be received on the sale of an Alternative Investment. The Escrow Agent shall have no liability for any loss sustained as a result of any investment made pursuant to the terms of this Escrow Agreement or as a result of any liquidation of any investment prior to its maturity or for the failure of an Authorized Representative of the Parties to give the Escrow Agent instructions to invest or reinvest the Escrow Property. The Escrow Agent shall have the right to liquidate any investments held in order to make required payments under this Escrow Agreement.

(c) Income Tax Allocation and Reporting.

(i) The Parties agree that, for tax reporting purposes, all interest and other income from investment of the Fund (the "Escrow Income") shall, as of the end of each calendar year and to the extent required by the Internal Revenue Service, be reported on IRS Form 1099 or 1042S (or other appropriate form) as having been earned by Buyer, whether or not such Escrow Income was disbursed during such calendar year. Buyer shall have

the right to withdraw 40% of the Escrow Income, to the extent required to pay any tax resulting from any such Escrow Income being earned by Buyer. Upon written demand by Buyer (with notice to Parent), the Escrow Agent shall promptly disburse to Buyer an amount of the Escrow Property equal to 40% of the Escrow Income. The balance of the Escrow Income shall be held and distributed in accordance with the terms of this Escrow Agreement. The Escrow Agent shall withhold any taxes it deems appropriate in the absence of proper tax documentation or as required by law, and shall remit such taxes to the appropriate authorities. Buyer hereby represents and warrants to the Escrow Agent that (i) there is no sale or transfer of an United States Real Property Interest as defined under IRC Section 897(c) in the underlying transaction giving rise to this Agreement; and (ii) such underlying transaction does not constitute an installment sale requiring any tax reporting or withholding of imputed interest or original issue discount to the IRS or other taxing authority.

(ii) Prior to the date hereof, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Fund.

### 3. Disbursements.

(a) Disbursement of the Deposit. The Escrow Agent shall release funds from the Deposit Escrow Account (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b)) to Parent or Buyer, as applicable, as provided in, and only upon, the joint written instructions of Buyer and Parent. Parent and Buyer shall provide such joint written instructions to the Escrow Agent upon the closing of the transactions contemplated by, or any termination of, the Asset Purchase Agreement, to the extent required pursuant to Section 2(d)(iii) of the Asset Purchase Agreement; provided, that in the event that a Party becomes entitled to receive any funds from the Deposit Escrow Account (including any dividends, interest, gains and other distributions earned on such amounts) pursuant to Section 2(d)(iii) of the Asset Purchase Agreement, neither Buyer nor Parent shall withhold, delay or condition their consent for such disposition, and shall promptly provide the joint written instructions required pursuant to this Escrow Agreement.

(b) Disbursement of the Working Capital Escrow Amount. The Escrow Agent shall release funds from the Working Capital Escrow Account (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b)) to Parent or Buyer, as applicable, as provided in, and only upon, the joint written instructions of Buyer and Parent. Parent and Buyer shall provide such joint written instructions to the Escrow Agent upon the determination of any Purchase Price Adjustment, to the extent required pursuant to Section 2(e) of the Asset Purchase Agreement; provided, that in the event that a Party becomes entitled to receive any funds from the Working Capital Escrow Account (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b)) pursuant to Section 2(e) of the Asset Purchase Agreement, neither Parent nor Buyer shall withhold, delay or condition their consent for such disposition, and shall promptly provide the joint written instructions required pursuant to this Escrow Agreement.

(c) Disbursement of the Transfer Tax Escrow Amount. The Escrow Agent shall release funds from the Transfer Tax Escrow Account (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b)) to Parent or Buyer, as applicable, as provided in, and only upon, the joint written instructions of Buyer and Parent. Parent and Buyer shall provide such joint written instructions to the Escrow Agent upon the determination of any Transfer Tax liability, and following the final determination of the Closing Working Capital, to the extent required pursuant to Sections 2(e) and 6(f)(i) of the Asset Purchase Agreement; provided, that in the event that a Party becomes entitled to receive any funds from the Transfer Tax Escrow Account (including any dividends, interest, gains and other distributions earned on such amounts as provided in Section 2(b)) pursuant to Sections 2(e) and 6(f)(i) of the Asset Purchase Agreement, neither Parent nor Buyer shall withhold, delay or condition their consent for such disposition, and shall promptly provide the joint written instructions required pursuant to this Escrow Agreement.

### 4. Instructions to the Escrow Agent.



(a) Any instructions setting forth, claiming, containing, objecting to, or in any way related to the transfer or distribution of the Fund, must be in writing or set forth in a Portable Document Format ("PDF"), executed by the appropriate Party or Parties as evidenced by the signatures of the person or persons signing this Escrow Agreement or one of their designated persons as set forth in Schedule 1 (each an "Authorized Representative"), and delivered to the Escrow Agent only by confirmed facsimile or attached to an email on a Business Day only at the fax number or email address set forth in Section 10 below. No instruction for or related to the transfer or distribution of the Fund shall be deemed delivered and effective unless the Escrow Agent actually shall have received it on a Business Day by facsimile or as a PDF attached to an email only at the fax number or email address set forth in Section 10 and as evidenced by a confirmed transmittal to the Party's or Parties' transmitting fax number or email address and the Escrow Agent has been able to satisfy any applicable security procedures as may be required hereunder. The Escrow Agent shall not be liable to any Party or other person for refraining from acting upon any instruction for or related to the transfer or distribution of the Fund if delivered to any other fax number or email address, including but not limited to a valid email address of any employee of the Escrow Agent other than if such omission or action is based upon the gross negligence or willful misconduct of Escrow Agent. The Parties acknowledge that there are certain security, corruption, transmission error and access availability risks associated with using open networks such as the Internet and the Parties hereby expressly assume such risks.

(b) In the event any funds transfer instructions are set forth in a permitted instruction from a Party or the Parties in accordance with Section 4(a), the Escrow Agent is authorized to seek confirmation of such funds transfer instructions by a single telephone call-back to one of the Authorized Representatives, and the Escrow Agent may rely upon the confirmation of anyone purporting to be that Authorized Representative. The persons and telephone numbers designated for call-backs may be changed only in a writing executed by Authorized Representatives of the applicable Party and actually received by the Escrow Agent via facsimile or as a PDF attached to an email. Except as set forth in Section 4(a) above, no funds will be disbursed until an Authorized Representative is able to confirm such instructions by telephone callback. The Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying numbers provided by the Parties and confirmed by an Authorized Representative.

(c) As used in this Section 4, "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which the Escrow Agent located at the notice address set forth below is authorized or required by law or executive order to remain closed. The Parties acknowledge that the security procedures set forth in this Section 4 are commercially reasonable.

5. **Termination.** Upon the disbursement of all of the Fund, this Escrow Agreement shall terminate and be of no further force and effect except that the provisions of Section 9 and Section 12 hereof shall survive termination.

6. **The Escrow Agent.** The Escrow Agent shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties shall be implied. The Escrow Agent has no knowledge of, nor any requirement to comply with, the terms and conditions of any other agreement between the Parties, nor shall the Escrow Agent be required to determine if any Party has complied with any other agreement. Notwithstanding the terms of any other agreement between the Parties, the terms and conditions of this Escrow Agreement shall control the actions of the Escrow Agent. The Escrow Agent may conclusively rely upon any written notice, document, instruction or request delivered by the Parties believed by it to be genuine and to have been signed by an Authorized Representative(s), as applicable, without inquiry and without requiring substantiating evidence of any kind and the Escrow Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Escrow Agent shall not be liable for any action taken or omitted to be taken by it in good faith except to the extent that the Escrow Agent's gross negligence or willful misconduct was the cause of any loss to either Party. The Escrow Agent may execute any of its powers and perform any of its duties hereunder directly or through affiliates or agents. In the event the Escrow Agent receives instructions, claims or demands from any Party hereto which conflict with the provisions of this Escrow Agreement, or if the Escrow Agent receives conflicting instructions from the Parties, the Escrow Agent shall be entitled to refrain from taking any action until it shall be given a joint written direction executed by Authorized Representatives of the Parties which eliminates such conflict or a final court order that

eliminates such conflict. Escrow Agent shall have no duty to solicit any payments which may be due it or the Fund, nor shall the Escrow Agent have any duty or obligation to confirm or verify the accuracy or correctness of any amounts deposited with it hereunder. Notwithstanding anything in this Escrow Agreement to the contrary, in no event shall the Escrow Agent be liable for special, incidental, punitive, indirect or consequential damages of any kind whatsoever (including but not limited to lost profits), even if Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

7. **Resignation; Succession.** The Escrow Agent may resign and be discharged from its duties or obligations hereunder by giving thirty (30) days advance notice in writing of such resignation to the Parties. The Escrow Agent's sole responsibility after such thirty (30) day notice period expires shall be to hold the Fund (without any obligation to reinvest the Fund) and to deliver the balance of the Fund to a designated substitute escrow agent, if any, appointed by the Parties, or such other person designated by the Parties, or in accordance with the directions of a final court order, at which time of delivery, the Escrow Agent's obligations hereunder shall cease and terminate. If prior to the effective resignation date, the Parties have failed to appoint a successor escrow agent, or to instruct the Escrow Agent to deliver the Fund to another person as provided above, at any time on or after the effective resignation date, Escrow Agent either (a) may interplead the Fund with a court of competent jurisdiction; or (b) appoint a successor escrow agent of its own choice. Any appointment of a successor escrow agent shall be binding upon the Parties and no appointed successor escrow agent shall be deemed to be an agent of Escrow Agent. Escrow Agent shall deliver the Fund to any appointed successor escrow agent, at which time Escrow Agent's obligations under this Escrow Agreement shall cease and terminate. Any entity into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any entity to which all or substantially all the escrow business may be transferred, shall be the escrow agent under this Escrow Agreement without further act.

8. **Compensation.** Each of the Parties shall be liable for one-half of all payments due and owing to the Escrow Agent, upon execution of this Escrow Agreement and from time to time thereafter, for reasonable compensation for the services to be rendered hereunder, which unless otherwise agreed in writing, shall be as described in Schedule 2. The payment of any such compensation shall in no event be taken out of the Fund.

9. **Indemnification and Reimbursement.** The Parties agree jointly and severally, to indemnify defend and hold harmless the Escrow Agent and its directors, agents and officers (the "Indemnitees") from and against any and all losses, damages, claims, liabilities, penalties, judgments, settlements, litigation, investigations, costs or expenses (including, without limitation, the reasonable fees and expenses of outside counsel) (collectively "Losses"), arising out of or in connection with (a) the Escrow Agent's performance of this Escrow Agreement, except to the extent that such Losses are caused by the gross negligence, willful misconduct, or bad faith of such Indemnitee; and (b) the Escrow Agent following any reasonable joint written instructions or directions from the Authorized Representatives of the Parties received in accordance with this Escrow Agreement. The obligations set forth in this Section 9 shall survive the resignation, replacement or removal of the Escrow Agent or the termination of this Escrow Agreement.

10. **Notices.** All communications hereunder shall be in writing or set forth in a PDF attached to an email, and all instructions from a Party or the Parties to the Escrow Agent shall be executed by an Authorized Representative, and shall be delivered in accordance with the terms of this Escrow Agreement by facsimile, email or overnight courier only to the appropriate fax number, email address, or notice address set forth for each party as follows:

If to Buyer or Guarantor:

c/o Quad/Graphics, Inc.  
N61W23044 Harry's Way  
Sussex, WI 53089  
Attention: Andrew Schiesl, [andrew.schiesl@qg.com](mailto:andrew.schiesl@qg.com)  
Telephone: 414-566-2017  
Facsimile: 414-566-9416

with a copy (which shall not constitute notice) to:

Arnold & Porter LLP  
399 Park Avenue  
New York, NY 10022-4690  
Attention: Michael J. Canning, Michael.Canning@aporter.com  
Telephone: 212-715-1110  
Facsimile: 212-715-1399

If to Parent:

c/o Vertis Holdings, Inc.  
250 West Pratt Street, Suite 1800  
Baltimore, MD 21201  
Attention: Jeffrey P. Pritchett, jpritchett@vertisinc.com  
Andrew Hede, ahede@vertisinc.com  
Telephone: 410-361-8624  
Facsimile: 410-454-8683

With a copy to (which shall not constitute notice):

Cadwalader, Wickersham & Taft LLP  
One World Financial Center  
New York, New York 10281  
Attention: John J. Rapisardi, john.rapisardi@cwt.com  
Geoffrey W. Levin, geoffrey.levin@cwt.com  
Zachary H. Smith, zachary.smith@cwt.com  
Telephone: 212-504-6000  
Facsimile: 212-504-6666

If to the Escrow Agent:

JPMorgan Chase Bank, N.A.  
Escrow Services  
1 Chase Manhattan Plaza, 21st Floor  
New York, NY 10005  
Attention: Chris Fasouletos/Andy Jacknick  
Fax No.: 212-552-2812  
Email Address:  
[ec.escrow@jpmorgan.com/](mailto:ec.escrow@jpmorgan.com/)

11. **Compliance with Court Orders.** In the event that any of the Fund shall be attached, garnished, levied upon, or otherwise be subject to any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, the Escrow Agent is hereby expressly authorized in its sole discretion to obey and comply with all such orders so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such order it shall not be liable to any of the Parties hereto or to any other person by reason of such compliance notwithstanding such order be subsequently reversed, modified, annulled, set aside or vacated.

12. **Miscellaneous.** The provisions of this Escrow Agreement may be waived, altered, amended or supplemented only by a writing signed by the Escrow Agent and the Parties. Neither this Escrow Agreement nor

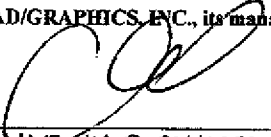
any right or interest hereunder may be assigned by any Party without the prior consent of the Escrow Agent and the other Parties. This Escrow Agreement shall be governed by and construed under the laws of the State of New York (without regard to any conflict of laws provision that would require the application of the law of any other jurisdiction other than the principles set forth in Section 5-1401 of the General Obligations Law of the State of New York, which shall apply). For so long as Parent is subject to the jurisdiction of the Bankruptcy Court, the Parties and the Escrow Agent each irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Escrow Agreement or the transactions contemplated hereby or thereby, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Parent is no longer subject to the jurisdiction of the Bankruptcy Court or if the Bankruptcy Court is unwilling or unable to hear any matter arising under or in connection with this Escrow Agreement or the transactions contemplated hereby or thereby, such matter shall be brought in the courts in the Court of Chancery for the State of Delaware in and for New Castle County (the "Chancery Court"), and in the event that the Chancery Court does not have subject matter jurisdiction as to a matter arising out of or relating to this Escrow Agreement, in any state or federal court of the State of Delaware located in New Castle County. Each Party and the Escrow Agent agrees that any action instituted by it arising out of or relating to this Escrow Agreement will be instituted exclusively in one of the above specified courts. Each Party and the Escrow Agent waives any defense of inconvenient forum to the maintenance of any dispute or action so brought, consents to service of process by mail and waives any objection to venue in any such court. Each Party and the Escrow Agent agrees that a final judgment in any dispute or action so brought will be conclusive and may be enforced by dispute or action on the judgment or in any other manner provided at law (common, statutory or other) or in equity. To the extent that in any jurisdiction either Party may now or hereafter be entitled to claim for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, such Party shall not claim, and hereby irrevocably waives, such immunity. The Escrow Agent and each Party hereby waives any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Escrow Agreement. No party to this Escrow Agreement is liable to any other party for losses due to, or if it is unable to perform its obligations under the terms of this Escrow Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control (each, a "Force Majeure Event"), This Escrow Agreement and any joint instructions from the Parties, may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument or instruction, as applicable. All signatures of the parties to this Escrow Agreement may be transmitted by facsimile, and such facsimile will, for all purposes, be deemed to be the original signature of such party whose signature it reproduces, and will be binding upon such party. If any provision of this Escrow Agreement is determined to be prohibited or unenforceable by reason of any applicable law of a jurisdiction, then such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof, and any such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction. The Parties represent, warrant and covenant that each document, notice, instruction or request provided by such Party to Escrow Agent shall comply with applicable laws and regulations. Except as expressly provided in Section 9 above, nothing in this Escrow Agreement, whether express or implied, shall be construed to give to any person or entity other than the Escrow Agent and the Parties any legal or equitable right, remedy, interest or claim under or in respect of the Fund or this Escrow Agreement.

*[Signature page follows]*

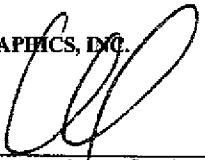
IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth above.

**QUAD/GRAPHICS MARKETING, LLC**

By: QUAD/GRAPHICS, INC., its managing member

By:   
Name: ANDREW R. SCHIESL  
Title: VP, GENERAL COUNSEL & SECY.

**QUAD/GRAPHICS, INC.**

By:   
Name: ANDREW R. SCHIESL  
Title: VP, GENERAL COUNSEL & SECY.

**JPMORGAN CHASE BANK, NA,**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VERTIS HOLDINGS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*[Signature Page to Escrow Agreement]*

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the date set forth above.

**QUAD/GRAPHICS MARKETING, LLC**

By: QUAD/GRAPHICS, INC., its managing member

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**QUAD/GRAPHICS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**JPMORGAN CHASE BANK, NA,**

By: C. Fasouletos  
Name: Christopher Fasouletos  
Title: Vice President

**VERTIS HOLDINGS, INC.**

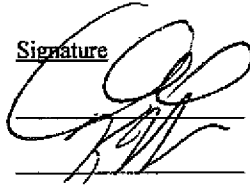
By: [Signature]  
Name: Jeffrey P. Pritchett  
Title: Interim Chief Financial Officer

[Signature Page to Escrow Agreement]

SCHEDULE 1

**Telephone Numbers and Authorized Signatures for  
Person(s) Designated to Give Joint Instructions and Confirm Funds Transfer Instructions**

For Buyer:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	ANDREW R. SCHIESL	414-566-2017	
2.	KELLY A. VANDERBOOM	414-566-2464	
3.	_____	_____	_____

For Parent:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

All instructions, including but not limited to funds transfer instructions, whether transmitted by facsimile or set forth in a PDF attached to an email, must include the signature of the Authorized Representative authorizing said funds transfer on behalf of each Party.


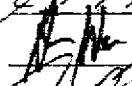
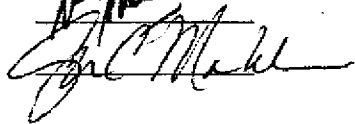
SCHEDULE 1

**Telephone Numbers and Authorized Signatures for  
Person(s) Designated to Give Joint Instructions and Confirm Funds Transfer Instructions**

For Buyer:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

For Parent:

	<u>Name</u>	<u>Telephone Number</u>	<u>Signature</u>
1.	Jeffrey P. Pritchett	(410) 361-8624	
2.	Andrew Hede	(646) 495-3584	
3.	Angela C. Marshall	(410) 361-8352	

All instructions, including but not limited to funds transfer instructions, whether transmitted by facsimile or set forth in a PDF attached to an email, must include the signature of the Authorized Representative authorizing said funds transfer on behalf of each Party.



SCHEDULE 2

J.P.Morgan

**Schedule of Fees and Disclosures for the Escrow Agent Services**

Based upon our current understanding of your proposed transaction, our fee proposal is as follows:

**Account Acceptance Fee** .....\$2,500.00

Encompassing review, negotiation and execution of governing documentation, opening of the account, and completion of all due diligence documentation. Payable upon closing.

**Annual Administration Fee** ..... **WAIVED**

The Administration Fee covers our usual and customary ministerial duties, including record keeping, distributions, document compliance and such other duties and responsibilities expressly set forth in the governing documents for each transaction. Payable upon closing and annually in advance thereafter, without pro-ration for partial years.

**Extraordinary Services and Out-of-Pocket Expenses**

Any additional services beyond our standard services as specified above, and all reasonable out-of-pocket expenses including attorney's or accountant's fees and expenses will be considered extraordinary services for which related costs, transaction charges, and additional fees will be billed at the Bank's then standard rate. Disbursements, receipts, investments or tax reporting exceeding 25 items per year may be treated as extraordinary services thereby incurring additional charges. The Escrow Agent may impose, charge, pass-through and modify fees and/or charges for any account established and services provided by the Escrow Agent, including but not limited to, transaction, maintenance, balance-deficiency, and service fees, agency or trade execution fees, and other charges, including those levied by any governmental authority.

**Disclosure & Assumptions:** Please note that the fees quoted are based on a review of the transaction documents provided and an internal due diligence review. JPMorgan reserves the right to revise, modify, change and supplement the fees quoted herein if the assumptions underlying the activity in the account, level of balances, market volatility or conditions or other factors change from those used to set our fees. Payment of the invoice is due upon receipt. The escrow deposit shall be continuously invested in a JPMorgan Chase Bank money market deposit account ("MMDA") or a JPMorgan Chase Bank Cash Compensation account. MMDA and Cash Compensation Accounts have rates of compensation that may vary from time to time based upon market conditions. The Annual Administration Fee would include a supplemental charge up to 25 basis points on the escrow deposit amount if another investment option were to be chosen.

The Parties acknowledge and agree that the Parties are permitted by U.S. law to make up to six (6) pre-authorized withdrawals or telephonic transfers from an MMDA per calendar month or statement cycle or similar period. If the MMDA can be accessed by checks, drafts, bills of exchange, notes and other financial instruments ("Items"), then no more than three (3) of these six (6) transfers may be made by an Item. The Escrow Agent is required by U.S. law to reserve the right to require at least seven (7) days notice prior to a withdrawal from a money market deposit account.

**Compliance**

**Patriot Act Disclosure.** Section 326 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 ("USA PATRIOT Act") requires the Escrow Agent to implement reasonable procedures to verify the identity of any person that opens a new account with it. Accordingly, you acknowledge that Section 326 of the USA PATRIOT Act and the Escrow Agent's identity verification procedures require the Escrow Agent to obtain information which may be used to confirm your identity including without limitation name, address and organizational documents ("identifying information"). You agree to provide

the Escrow Agent with and consent to the Escrow Agent obtaining from third parties any such identifying information required as a condition of opening an account with or using any service provided by the Escrow Agent.

**EXHIBIT D**

Form of Bill of Sale

See attached.

Exh. D-1

**TRADEMARK**  
**REEL: 005289 FRAME: 0571**

**BILL OF SALE**

This BILL OF SALE, dated as of [●] (this "Bill of Sale"), is made and entered into by and among Vertis Holdings, Inc., a Delaware corporation ("Parent"), each of its subsidiary debtors listed herein (each a "Selling Affiliate", and together with Parent, "Sellers", and each individually a "Seller") and Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Buyer"). Sellers and Buyer are sometimes herein referred to collectively as the "Parties" and individually as a "Party".

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of October 10, 2012 (as amended, the "Asset Purchase Agreement"); and

WHEREAS, in order to give effect to the transactions contemplated by the Asset Purchase Agreement, the Parties desire that Sellers sell, transfer, convey and deliver to Buyer and Buyer purchase, acquire and accept from Sellers the Acquired Assets.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Sale and Transfer of Acquired Assets. Each Seller hereby sells, transfers, conveys and delivers to Buyer and Buyer's successors and assigns and Buyer hereby purchases, acquires and accepts all of such Seller's right, title and interest in and to the Acquired Assets, free and clear of any and all Liens (other than Liens created by Buyer and the Permitted Liens), Liabilities and other claims and interests. For the avoidance of doubt, Sellers are not selling, transferring, conveying or delivering to Buyer any of the Excluded Assets.

2. Non-Assignable Assets. Nothing in this Bill of Sale shall be construed as an attempt or agreement to transfer or assign any Acquired Asset which is not approved by an order of the Bankruptcy Court pursuant to sections 105, 363 and 365 of the Bankruptcy Code.

3. Further Assurances. Sellers and Buyer shall execute and deliver, or cause to be executed and delivered, from time to time hereafter, upon request and without further consideration, all such further documents and instruments and shall do and perform all such acts as may be reasonably requested to give full effect to Section 1 of this Bill of Sale.

4. Effectiveness. This Bill of Sale shall be effective as of the Closing.

5. Terms of the Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement. This Bill of Sale has been executed and delivered in accordance with and is subject to all of the terms and conditions of the Asset Purchase Agreement. Notwithstanding any other provision of this Bill of Sale to the contrary, nothing contained in this Bill of Sale shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions set forth in the Asset Purchase Agreement nor shall this Bill of Sale reduce, expand or enlarge any remedies under the Asset Purchase Agreement including, without limitation, any representations

or warranties specified therein. In the event of any conflict or inconsistency between this Bill of Sale and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

6. Governing Law; Jurisdiction. This Bill of Sale shall in all aspects be governed by and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof. For so long as Sellers are subject to the jurisdiction of the Bankruptcy Court, the Parties irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Bill of Sale or the transactions contemplated hereby, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Sellers are no longer subject to the jurisdiction of the Bankruptcy Court or if the Bankruptcy Court is unwilling or unable to hear any matter arising under or in connection with this Bill of Sale or the transactions contemplated hereby, such matter shall be brought in the courts in the Court of Chancery for the State of Delaware in and for New Castle County (the "Chancery Court"), and in the event that the Chancery Court does not have subject matter jurisdiction as to a matter arising out of or relating to this Bill of Sale, in any state or federal court of the State of Delaware located in New Castle County. Each of the Parties agrees that any action instituted by it arising out of or relating to this Bill of Sale will be instituted exclusively in one of the above specified courts. Each Party waives any defense of inconvenient forum to the maintenance of any dispute or action so brought, consents to service of process by mail and waives any objection to venue in any such court. Each Party agrees that a final judgment in any dispute or action so brought will be conclusive and may be enforced by dispute or action on the judgment or in any other manner provided at law (common, statutory or other) or in equity.

7. Consent to Service of Process. Each Party hereby consents to process being served by any Party in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 10(g) of the Asset Purchase Agreement.

8. Successors and Assigns. This Bill of Sale shall be binding upon and inure to the benefit of the Parties named herein and their respective successors (including any trustee, receiver, manager, interim receiver or monitor or similar officer appointed in respect of Sellers in the Chapter 11 Cases or in any chapter 7 case into which the Chapter 11 Cases may be converted) and permitted assigns. No Party may assign this Bill of Sale or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

9. Counterparts. This Bill of Sale may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Bill of Sale or any counterpart may be executed and delivered by facsimile or email with scan attachment copies or pdf, each of which shall be deemed an original.

10. Waiver of Right to Trial by Jury. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS BILL OF SALE OR THE TRANSACTIONS CONTEMPLATED IN THIS BILL OF SALE.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Parties have executed this Bill of Sale as of the date set forth above.

**PARENT:**

VERTIS HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

**BUYER:**

QUAD/GRAPHICS MARKETING, LLC

By: QUAD/GRAPHICS, INC.  
its managing member

By: \_\_\_\_\_  
Name:  
Title:

**SELLING AFFILIATES:**

VERTIS, INC.

By: \_\_\_\_\_  
Name:  
Title:

5 DIGIT PLUS, LLC

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Bill of Sale]

ACG HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

AMERICAN COLOR GRAPHICS, INC.

By: \_\_\_\_\_  
Name:  
Title:

MAIL EFFICIENCY, LLC

By: \_\_\_\_\_  
Name:  
Title:

VERTIS NEWARK, LLC

By: \_\_\_\_\_  
Name:  
Title:

WEBCRAFT, LLC

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT E**

Form of Assignment and Assumption Agreement

See attached.

Exh. E-1

**TRADEMARK**  
**REEL: 005289 FRAME: 0576**



**ASSIGNMENT AND ASSUMPTION AGREEMENT**

This ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of [●] (this "Assignment"), is made and entered into by and among Vertis Holdings, Inc., a Delaware corporation ("Parent"), each of its subsidiary debtors listed herein (each a "Selling Affiliate", and together with Parent, "Sellers", and each individually a "Seller") and Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Buyer"). Sellers and Buyer are sometimes herein referred to collectively as the "Parties" and individually as a "Party."

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of October 10, 2012 (as amended, the "Asset Purchase Agreement"); and

WHEREAS, in order to give effect to the transactions contemplated by the Asset Purchase Agreement, Sellers have agreed to assign, transfer and convey to Buyer and Buyer desires to acquire and accept the Acquired Assets and Assumed Liabilities.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Assignment of Acquired Assets. Each Seller hereby assigns, transfers and conveys to Buyer and Buyer's successors and assigns and Buyer hereby acquires and accepts all of such Seller's right, title and interest in and to the Acquired Assets, free and clear of any and all Liens (other than Liens created by the Buyer and Permitted Liens), Liabilities and other claims and interests. For the avoidance of doubt, Sellers are not assigning, transferring, or conveying to Buyer any of the Excluded Assets. Nothing in this Assignment shall be construed as an attempt or agreement to transfer or assign any Acquired Asset which is not approved by an order of the Bankruptcy Court pursuant to sections 105, 363 and 365 of the Bankruptcy Code.
2. Assignment of Assumed Liabilities. Each Seller hereby conveys, assigns and transfers to Buyer the Assumed Liabilities and all of such Seller's obligations to pay the Assumed Liabilities.
3. Assumption of Assumed Liabilities. Buyer hereby assumes and agrees to timely pay, honor, discharge and perform or otherwise satisfy when due, or cause to be timely paid, honored, discharged, performed or otherwise satisfied when due, all of the Assumed Liabilities in accordance with the terms thereof. For the avoidance of doubt, Buyer is not assuming in any manner and shall not be liable or responsible for any of the Excluded Liabilities.
4. Further Assurances. Sellers and Buyer shall execute and deliver, or cause to be executed and delivered, from time to time hereafter, upon request and without further consideration, all such further documents and instruments and shall do and perform all such acts as may be reasonably requested to give full effect to Sections 1 and 2 of this Assignment.
5. Effectiveness. This Assignment shall be effective as of the Closing.

6. Terms of the Asset Purchase Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement. This Assignment is in accordance with and is subject to all of the terms and conditions of the Asset Purchase Agreement. Notwithstanding any other provision of this Assignment to the contrary, nothing contained in this Assignment shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions set forth in the Asset Purchase Agreement nor shall this Assignment reduce, expand or enlarge any remedies under the Asset Purchase Agreement including, without limitation, any representations or warranties specified therein. In the event of any conflict or inconsistency between this Assignment and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

7. Governing Law; Jurisdiction. This Assignment shall in all aspects be governed by and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof. For so long as Sellers are subject to the jurisdiction of the Bankruptcy Court, the Parties irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment or the transactions contemplated hereby, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Sellers are no longer subject to the jurisdiction of the Bankruptcy Court or if the Bankruptcy Court is unwilling or unable to hear any matter arising under or in connection with this Assignment or the transactions contemplated hereby, such matter shall be brought in the courts in the Court of Chancery for the State of Delaware in and for New Castle County (the "Chancery Court"), and in the event that the Chancery Court does not have subject matter jurisdiction as to a matter arising out of or relating to this Assignment, in any state or federal court of the State of Delaware located in New Castle County. Each of the Parties agrees that any action instituted by it arising out of or relating to this Assignment will be instituted exclusively in one of the above specified courts. Each Party waives any defense of inconvenient forum to the maintenance of any dispute or action so brought, consents to service of process by mail and waives any objection to venue in any such court. Each Party agrees that a final judgment in any dispute or action so brought will be conclusive and may be enforced by dispute or action on the judgment or in any other manner provided at law (common, statutory or other) or in equity.

8. Consent to Service of Process. Each Party hereby consents to process being served by any Party in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 10(g) of the Asset Purchase Agreement.

9. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the Parties named herein and their respective successors (including any trustee, receiver, manager, interim receiver or monitor or similar officer appointed in respect of Sellers in the Chapter 11 Cases or in any chapter 7 case into which the Chapter 11 Cases may be converted) and permitted assigns. No Party may assign either this Assignment or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

10. Counterparts. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Assignment or any counterpart may be executed and delivered by facsimile or email with scan attachment copies or pdf, each of which shall be deemed an original.

11. Waiver of Right to Trial by Jury. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED IN THIS ASSIGNMENT.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the Parties has caused this Assignment to be executed by its respective officers thereunto duly authorized, as of the date first written above.

**PARENT:**

VERTIS HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

**BUYER:**

QUAD/GRAPHICS MARKETING, LLC

By: QUAD/GRAPHICS, INC.  
its managing member

By: \_\_\_\_\_  
Name:  
Title:

**SELLING AFFILIATES:**

VERTIS, INC.

By: \_\_\_\_\_  
Name:  
Title:

5 DIGIT PLUS, LLC

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Assignment and Assumption Agreement]

ACG HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

AMERICAN COLOR GRAPHICS, INC.

By: \_\_\_\_\_  
Name:  
Title:

MAIL EFFICIENCY, LLC

By: \_\_\_\_\_  
Name:  
Title:

VERTIS NEWARK, LLC

By: \_\_\_\_\_  
Name:  
Title:

WEBCRAFT, LLC

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Assignment and Assumption Agreement]

TRADEMARK  
REEL: 005289 FRAME: 0581

**EXHIBIT F**

Form of Intellectual Property Assignment

See attached.

Exh. F-1

**TRADEMARK**  
**REEL: 005289 FRAME: 0582**

**INTELLECTUAL PROPERTY ASSIGNMENT**

This INTELLECTUAL PROPERTY ASSIGNMENT, dated as of [●] (this "Assignment"), is made and entered into by and among Vertis Holdings, Inc., a Delaware corporation ("Parent"), each of its subsidiary debtors listed herein (each a "Selling Affiliate", and together with Parent, "Sellers", and each individually a "Seller") and Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Buyer"). Sellers and Buyer are sometimes herein referred to collectively as the "Parties" and individually as a "Party."

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of October 10, 2012 (as amended, the "Asset Purchase Agreement"); and

WHEREAS, pursuant to, and in accordance with the terms of, the Asset Purchase Agreement, Sellers have agreed to transfer and assign to Buyer all of Sellers' right, title and interest in and to, as the same shall exist on the date hereof, the Acquired Intellectual Property, and Buyer has agreed and desires to accept from Sellers all of the Sellers' right, title and interest in and to the Acquired Intellectual Property.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. Assignment. Each Seller hereby absolutely and irrevocably sells, transfers, conveys, delivers and assigns to Buyer all of such Seller's right, title and interest in and to the Acquired Intellectual Property and all goodwill arising from or relating thereto.
2. Acceptance and Assumption. Buyer hereby accepts the sale, transfer, assignment, conveyance, and delivery of all of each Seller's right, title and interest in and to the Acquired Intellectual Property.
3. Trademark Assignment. On the Closing Date, each Seller shall deliver to Buyer a duly executed copy of the trademark, service mark, trade name and trade dress assignment in the form attached hereto as Exhibit A.
4. Copyright Assignment. On the Closing Date, each Seller shall deliver to Buyer a duly executed copy of the copyright assignment in the form attached hereto as Exhibit B.
5. Patent Assignment. On the Closing Date, each Seller shall deliver to Buyer a duly executed copy of the patent assignment in the form attached hereto as Exhibit C.
6. Power of Attorney. Each Seller hereby constitutes and appoints the Buyer and its successors and assigns as the true and lawful attorney in fact of such Seller in connection with the transactions contemplated by this instrument, with full power of substitution, in the name and stead of such Seller but on behalf of and for the benefit of Buyer and its successors and assigns, to demand and receive any and all of the Acquired Intellectual Property hereby conveyed, assigned and transferred, and to give receipts and releases for and in respect of the

same and any part thereof, and from time to time as reasonably necessary to institute and prosecute, in the name of each Seller or otherwise, for the benefit of Buyer or its successors and assigns, any proceeding at law, in equity, or otherwise in order to collect or reduce to possession or endorse any of the Acquired Intellectual Property.

7. Further Assurances. Sellers and Buyer shall execute and deliver, or cause to be executed and delivered, from time to time hereafter, upon request and without further consideration, all such further documents and instruments and shall do and perform all such acts as may be reasonably requested to give full effect to Sections 1 and 2 of this Assignment.

8. Effectiveness. This Assignment shall be effective as of the Closing.

9. Terms of the Asset Purchase Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement. This Assignment is in accordance with and is subject to all of the terms and conditions of the Asset Purchase Agreement. Notwithstanding any other provision of this Assignment to the contrary, nothing contained in this Assignment shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions set forth in the Asset Purchase Agreement nor shall this Assignment reduce, expand or enlarge any remedies under the Asset Purchase Agreement including, without limitation, any representations or warranties specified therein. In the event of any conflict or inconsistency between this Assignment and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

10. Governing Law; Jurisdiction. This Assignment shall in all aspects be governed by and construed in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law thereof. For so long as Sellers are subject to the jurisdiction of the Bankruptcy Court, the Parties irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment or the transactions contemplated hereby, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Sellers are no longer subject to the jurisdiction of the Bankruptcy Court or if the Bankruptcy Court is unwilling or unable to hear any matter arising under or in connection with this Assignment or the transactions contemplated hereby, such matter shall be brought in the courts in the Court of Chancery for the State of Delaware in and for New Castle County (the "Chancery Court"), and in the event that the Chancery Court does not have subject matter jurisdiction as to a matter arising out of or relating to this Assignment, in any state or federal court of the State of Delaware located in New Castle County. Each of the Parties agrees that any action instituted by it arising out of or relating to this Assignment will be instituted exclusively in one of the above specified courts. Each Party waives any defense of inconvenient forum to the maintenance of any dispute or action so brought, consents to service of process by mail and waives any objection to venue in any such court. Each Party agrees that a final judgment in any dispute or action so brought will be conclusive and may be enforced by dispute or action on the judgment or in any other manner provided at law (common, statutory or other) or in equity.

11. Consent to Service of Process. Each Party hereby consents to process being served by any Party in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 10(g) of the Asset Purchase Agreement.



12. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the Parties named herein and their respective successors (including any trustee, receiver, manager, interim receiver or monitor or similar officer appointed in respect of Sellers in the Chapter 11 Cases or in any chapter 7 case into which the Chapter 11 Cases may be converted) and permitted assigns. No Party may assign either this Assignment or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties.

13. Counterparts. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Assignment or any counterpart may be executed and delivered by facsimile or email with scan attachment copies or pdf, each of which shall be deemed an original.

14. Waiver of Right to Trial by Jury. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS ASSIGNMENT OR THE TRANSACTIONS CONTEMPLATED IN THIS ASSIGNMENT.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the Parties has caused this Assignment to be executed by its respective officers thereunto duly authorized, as of the date first written above.

**PARENT:**

VERTIS HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

**BUYER:**

QUAD/GRAPHICS MARKETING, LLC

By: QUAD/GRAPHICS, INC.  
its managing member

By: \_\_\_\_\_  
Name:  
Title:

**SELLING AFFILIATES:**

VERTIS, INC.

By: \_\_\_\_\_  
Name:  
Title:

5 DIGIT PLUS, LLC

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Intellectual Property Assignment]

**TRADEMARK**  
**REEL: 005289 FRAME: 0586**

ACG HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

AMERICAN COLOR GRAPHICS, INC.

By: \_\_\_\_\_  
Name:  
Title:

MAIL EFFICIENCY, LLC

By: \_\_\_\_\_  
Name:  
Title:

VERTIS NEWARK, LLC

By: \_\_\_\_\_  
Name:  
Title:

WEBCRAFT, LLC

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT A**  
**TRADEMARK, SERVICE MARK, TRADE NAME**  
**AND TRADE DRESS ASSIGNMENT**

This TRADEMARK, SERVICE MARK, TRADE NAME AND TRADE DRESS ASSIGNMENT, dated as of [ ● ] (this "Assignment"), is made and entered into by and among Vertis Holdings, Inc., a Delaware corporation ("Parent"), each of its subsidiary debtors listed herein (each an "Assigning Affiliate", and together with Parent, "Assignors", and each individually an "Assignor") and Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Assignee"). Assignors and Assignee are sometimes herein referred to collectively as the "Parties" and individually as a "Party".

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of October [ ● ], 2012 (as amended, the "Asset Purchase Agreement"); and

WHEREAS, Assignors are the owner of all right, title, and interest in and to the trademarks, service marks, trade names, trade dress listed on Schedule A attached hereto and the applications and registrations therefor (collectively, the "Marks"); and

WHEREAS, in connection with the transactions contemplated by the Asset Purchase Agreement, each Assignor has agreed to assign and deliver to Assignee, and Assignee has agreed to accept, all of such Assignor's right, title, and interest in and to the Marks.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Assignors agree as follows:

1. Each Assignor hereby conveys, transfers, assigns, and delivers unto Assignee, absolutely and forever, its entire right, title, and interest in the United States and throughout the world, in and to the Marks, whether statutory or at common law, together with all goodwill arising from or related to the business symbolized by the Marks, the same to be held and enjoyed by Assignee for its own use and enjoyment, and for the use and enjoyment of its licensees, successors, assigns, and/or other legal representatives, including the right to sue for and receive all damages accruing from past infringement of the Marks, to be used as fully and entirely as such rights would have been held and enjoyed by each Assignor had this Assignment not been made.
2. Each Assignor hereby agrees to execute such documentation as may be required by any domestic or foreign intellectual property registrar to transfer ownership of the Marks from Assignor to Assignee. Each Assignor hereby also agrees to execute such further assignments and related documents with respect to the Marks as Assignee shall reasonably request.
3. Notwithstanding any other provisions of this Assignment to the contrary, nothing contained in this Assignment shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge, or in any way affect the provisions, including warranties, covenants, agreements, conditions, representations, or in general any of the rights and

remedies, or any of the obligations and indemnifications of Assignors or Assignee set forth in the Asset Purchase Agreement. This Assignment is intended only to effect the transfer of certain property transferred pursuant to the Asset Purchase Agreement and shall be governed entirely in accordance with the terms and conditions thereof.

4. This Assignment shall be binding upon and inure to the benefit of Assignors, Assignee and their respective successors (including any trustee, receiver, manager, interim receiver or monitor or similar officer appointed in respect of any Assignor in the Chapter 11 Cases (as defined in the Asset Purchase Agreement) or in any chapter 7 case into which the Chapter 11 Cases may be converted) and permitted assigns.

5. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Assignment or any counterpart may be executed and delivered by facsimile or email with scan attachment copies or pdf, each of which shall be deemed an original.

*[Signature pages follow]*

IN WITNESS WHEREOF, each Assignor has caused this Assignment to be executed by its duly authorized representatives effective this \_\_\_\_ day of \_\_\_\_\_, 2012.

**ASSIGNORS:**

VERTIS HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

VERTIS, INC.

By: \_\_\_\_\_  
Name:  
Title:

5 DIGIT PLUS, LLC

By: \_\_\_\_\_  
Name:  
Title:

ACG HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

AMERICAN COLOR GRAPHICS, INC.

By: \_\_\_\_\_  
Name:  
Title:

MAIL EFFICIENCY, LLC

*[Signature Page to Trademark Assignment]*

By: \_\_\_\_\_  
Name:  
Title:

VERTIS NEWARK, LLC

By: \_\_\_\_\_  
Name:  
Title:

WEBCRAFT, LLC

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:  
\_\_\_\_\_

CERTIFICATE OF ACKNOWLEDGEMENT

I, \_\_\_\_\_, a Notary Public in and for \_\_\_\_\_ do hereby certify that \_\_\_\_\_, personally known to me to be the same person(s) whose name(s) is (are) subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as a free act and deed on behalf of the identified limited liability company, \_\_\_\_\_, with authority to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this \_\_\_\_ day of \_\_\_\_\_ 2012.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

[Signature Page to Trademark Assignment]

TRADEMARK  
REEL: 005289 FRAME: 0591

**SCHEDULE A  
TRADEMARKS**



**EXHIBIT B**  
**COPYRIGHT ASSIGNMENT**

This COPYRIGHT ASSIGNMENT (this "Assignment"), is made and entered into by and among Vertis Holdings, Inc., a Delaware corporation ("Parent"), each of its subsidiary debtors listed herein (each an "Assigning Affiliate", and together with Parent, "Assignors", and each individually an "Assignor") and Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Assignee"). Assignors and Assignee are sometimes herein referred to collectively as the "Parties" and individually as a "Party".

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of October [●], 2012 (as amended, the "Asset Purchase Agreement"); and

WHEREAS, Assignors are the owners of all right, title and interest in and to the copyrights listed on Schedule A attached hereto together with all copyright registrations and applications therefor, and all other rights corresponding thereto throughout the world and any and all rights to sue for claims and remedies against past, present and future infringements of any or all of the foregoing, and all rights for priority and protection of interests therein under the laws of any jurisdiction (collectively, the "Copyrights");

WHEREAS, in connection with the transactions contemplated by the Asset Purchase Agreement, each Assignor has agreed to assign and deliver to Assignee, and Assignee has agreed to accept, all of such Assignor's right, title, and interest in and to the Copyrights.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Assignors agree as follows:

1. Each Assignor hereby sells, assigns, transfers and sets over, unto Assignee and its successors and assigns its entire right, title and interest in and to the Copyrights and all goodwill arising from or relating thereto, to be held and enjoyed by Assignee for its own use and benefit and for the use and benefit of its subsidiaries, successors, assigns and legal representatives for the full extent of the life of such Copyrights, to be used as fully and entirely as such rights would have been held and enjoyed by Assignor had this Assignment and sale not been made.
2. Each Assignor hereby represents, warrants and covenants that no assignment, sale, agreement or encumbrance has been or will be made or entered into which would conflict with this Assignment.
3. Each Assignor represents, warrants and covenants that it is the owner of all right, title and interest in and to the Copyrights and has full power to make this Assignment and Assignor hereby agrees to execute such further assignments and related documents with respect to the Copyrights as Assignee shall reasonably request.

4. Notwithstanding any other provision of this Assignment to the contrary, nothing contained in this Assignment shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions set forth in the Asset Purchase Agreement nor shall this Assignment reduce, expand or enlarge any remedies under the Asset Purchase Agreement including, without limitation, any representations or warranties specified therein. In the event of any conflict or inconsistency between this Assignment and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

5. This Assignment shall be binding upon and inure to the benefit of Assignors, Assignee and their respective successors (including any trustee, receiver, manager, interim receiver or monitor or similar officer appointed in respect of any Assignor in the Chapter 11 Cases (as defined in the Asset Purchase Agreement) or in any chapter 7 case into which the Chapter 11 Cases may be converted) and permitted assigns.

6. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Assignment or any counterpart may be executed and delivered by facsimile or email with scan attachment copies or pdf, each of which shall be deemed an original.

*[Signature pages follow]*

IN WITNESS WHEREOF, each Assignor has caused this Assignment to be executed by its duly authorized representatives effective this \_\_\_\_ day of \_\_\_\_\_, 2012.

**ASSIGNORS:**

VERTIS HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

VERTIS, INC.

By: \_\_\_\_\_  
Name:  
Title:

5 DIGIT PLUS, LLC

By: \_\_\_\_\_  
Name:  
Title:

ACG HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

AMERICAN COLOR GRAPHICS, INC.

By: \_\_\_\_\_  
Name:  
Title:

MAIL EFFICIENCY, LLC

*[Signature Page to Copyright Assignment]*

By: \_\_\_\_\_  
Name:  
Title:

VERTIS NEWARK, LLC

By: \_\_\_\_\_  
Name:  
Title:

WEBCRAFT, LLC

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:

\_\_\_\_\_

CERTIFICATE OF ACKNOWLEDGEMENT

I, \_\_\_\_\_, a Notary Public in and for \_\_\_\_\_ do hereby certify that \_\_\_\_\_, personally known to me to be the same person(s) whose name(s) is (are) subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as a free act and deed on behalf of the identified limited liability company, \_\_\_\_\_, with authority to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this \_\_\_\_ day of \_\_\_\_\_ 2012.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

[Signature Page to Copyright Assignment]

TRADEMARK  
REEL: 005289 FRAME: 0596

**SCHEDULE A  
COPYRIGHTS**

**EXHIBIT C**  
**PATENT ASSIGNMENT**

This PATENT ASSIGNMENT (this "Assignment"), is made and entered into by and among Vertis Holdings, Inc., a Delaware corporation ("Parent"), each of its subsidiary debtors listed herein (each an "Assigning Affiliate", and together with Parent, "Assignors", and each individually an "Assignor") and Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Assignee"). Assignors and Assignee are sometimes herein referred to collectively as the "Parties" and individually as a "Party".

WHEREAS, the Parties entered into that certain Asset Purchase Agreement dated as of October [●], 2012 (as amended, the "Asset Purchase Agreement"); and

WHEREAS, Assignors are the owners of all right, title and interest, together with the benefits and privileges in and to the patents listed on Schedule A, and in and to all other applications for patent on said inventions and discoveries in whatsoever countries, including all divisional, renewal, substitute, continuation, continuation-in-part, reissue, reexamination and convention applications based in whole or in part upon said patents and any and all patents, reissues, reexaminations and extensions of patents or similar forms of protection granted for said patents, and every priority right that is or may be predicated upon or arise from said patents, including the right to recover past and future damages and/or profits that have arisen from infringement of such patents (collectively, the "Patent Rights");

WHEREAS, in connection with the transactions contemplated by the Asset Purchase Agreement, each Assignor has agreed to assign and deliver to Assignee, and Assignee has agreed to accept, all of such Assignor's right, title, and interest in and to the Patent Rights.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Assignors agree as follows:

1. Each Assignor does hereby sell, assign, transfer and convey unto Assignee, throughout the world, the entire right, title and interest, together with the benefits and privileges in and to, said Patent Rights, including all goodwill arising from or relating thereto and the right to recover past and future damages and/or profits that have arisen from infringement of such Patent Rights, with the same to be held and enjoyed by Assignee for its use and enjoyment, and for the use and enjoyment of its successors, assigns and legal representatives, as fully and entirely as the same would have been held and enjoyed by such Assignor if this assignment had not been made.
2. Each Assignor authorizes Assignee to file patent applications in any or all countries or groups of countries on any or all of said inventions and discoveries in the name of Assignee or otherwise as Assignee may deem advisable under relevant international conventions, treaties or otherwise.

3. Each Assignor authorizes and requests the Commissioner of Patents and Trademarks for the United States of America and the empowered officials of governments of other countries to issue to and to transfer all Patent Rights to Assignee, as assignee of the entire right, title and interest therein, or otherwise as Assignee may direct.

4. Each Assignor hereby covenants and agrees to cooperate with Assignee to enable Assignee to perfect the transfer and assignment of and enjoy to the fullest extent the right, title and interest conveyed herein. Such cooperation by each Assignor shall include production of pertinent facts and documents, giving of testimony, execution of petitions, oaths, specifications, declarations or other papers, and other assistance to the extent reasonably necessary (a) for perfecting in Assignee the right, title and interest herein conveyed; (b) for filing and prosecuting any reexamination request relating to the Patent Rights; (c) for filing and prosecuting applications for reissuance of any of the Patent Rights; (d) for interference or other priority proceedings involving the Patent Rights; or (e) for legal proceedings involving the Patent Rights for infringement actions and court actions; provided, however, that the expenses incurred by Assignors in providing such cooperation shall be paid for by Assignee.

5. Notwithstanding any other provision of this Assignment to the contrary, nothing contained in this Assignment shall in any way supersede, modify, replace, amend, change, rescind, waive, exceed, expand, enlarge or in any way affect the provisions set forth in the Asset Purchase Agreement nor shall this Assignment reduce, expand or enlarge any remedies under the Asset Purchase Agreement including, without limitation, any representations or warranties specified therein. In the event of any conflict or inconsistency between this Assignment and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

6. This Assignment shall be binding upon and inure to the benefit of Assignors, Assignee and their respective successors (including any trustee, receiver, manager, interim receiver or monitor or similar officer appointed in respect of any Assignor in the Chapter 11 Cases (as defined in the Asset Purchase Agreement) or in any chapter 7 case into which the Chapter 11 Cases may be converted) and permitted assigns.

7. This Assignment may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Assignment or any counterpart may be executed and delivered by facsimile or email with scan attachment copies or pdf, each of which shall be deemed an original.

*[Signature pages follow]*

IN WITNESS WHEREOF, each Assignor has caused this Assignment to be executed by its duly authorized representatives effective this \_\_\_\_ day of \_\_\_\_\_, 2012.

**ASSIGNORS:**

VERTIS HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

VERTIS, INC.

By: \_\_\_\_\_  
Name:  
Title:

5 DIGIT PLUS, LLC

By: \_\_\_\_\_  
Name:  
Title:

ACG HOLDINGS, INC.

By: \_\_\_\_\_  
Name:  
Title:

AMERICAN COLOR GRAPHICS, INC.

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Patent Assignment]*



MAIL EFFICIENCY, LLC

By: \_\_\_\_\_  
Name:  
Title:

VERTIS NEWARK, LLC

By: \_\_\_\_\_  
Name:  
Title:

WEBCRAFT, LLC

By: \_\_\_\_\_  
Name:  
Title:

ATTEST:

\_\_\_\_\_

CERTIFICATE OF ACKNOWLEDGEMENT

I, \_\_\_\_\_, a Notary Public in and for \_\_\_\_\_ do hereby certify that \_\_\_\_\_, personally known to me to be the same person(s) whose name(s) is (are) subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as a free act and deed on behalf of the identified limited liability company, \_\_\_\_\_, with authority to do so.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal, this \_\_\_\_ day of \_\_\_\_\_ 2012.

\_\_\_\_\_  
Notary Public  
Commission Expires: \_\_\_\_\_

Schedule A  
Patents

U.S.


FOREIGN

Country	Registration No.	Issue Date

**ANNEX A**

**Selling Affiliates**

1. Vertis Holdings, Inc.
2. Vertis, Inc.
3. 5 Digit Plus, LLC
4. ACG Holdings, Inc.
5. American Color Graphics, Inc.
6. Mail Efficiency, LLC
7. Vertis Newark, LLC
8. Webcraft, LLC

**ANNEX B**

**Assumed Contracts**

[To be provided]

## ANNEX C

### Policies and Procedures

As set forth in the Asset Purchase Agreement entered into as of October 10, 2012, by and among Vertis Holdings, Inc., Quad/Graphics Marketing, LLC and Quad/Graphics, Inc. (the "Agreement"), Closing Working Capital will be determined as of 11:59 p.m. on the Business Day immediately prior to the Closing Date.<sup>(1)</sup> The actual value of the Current Assets and Current Liabilities shall be determined in accordance with GAAP and in accordance with the policies and procedures set forth in this Annex C and the definitions and terms contained in the Agreement.<sup>(2)</sup>

#### *Calculation Methodology*

An example of the calculation of Closing Working Capital as of June 30, 2012 is set forth below for the limited purpose of illustrating the impact of including or excluding specific accounts in the calculation of Closing Working Capital. The book value amounts shown in the illustrative calculations set forth herein were not reviewed by the parties for purposes of determining compliance with GAAP and the policies and procedures set forth in this Annex C. Use of such book value amounts for purposes of this Annex C does not indicate that such amounts were determined in accordance with GAAP and the policies and procedures to be followed for purposes of calculating Closing Working Capital. The parties acknowledge and agree that the example set forth below is not binding on any Party hereto for any purpose hereunder.

---

<sup>(1)</sup> Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Agreement.

<sup>(2)</sup> To the extent an ambiguity exists with respect to the application of GAAP and the policies and procedures set forth in this Annex C, the book value of a relevant account shall be determined in accordance with the policies and procedures consistently applied as set forth in this Annex C.

### Illustrative Closing Working Capital Calculation

#### *Current Assets*

Cash	\$0.6
Accounts Receivable, Net	143.2
Inventories, Net	41.1
Other Current Assets	46.7
<b>Unadjusted Current Assets</b>	<b>\$231.6</b>

#### Adjustments to Current Assets

Less: Cash	(\$0.6)
Less: Current Deferred Tax Asset	(16.9)
Less: Prepaid Insurance	(1.1)
Less: Assets Related to Intercompany Accts	-
Less: Professional Fees Retainers	(0.9)
Less: Post-petition Utility Deposits	-

**Current Assets** **\$212.1**

#### *Current Liabilities*

Other Accounts Payable	\$68.6
Media Accounts Payable	33.2
Media Accounts Payable - Cash Overdraft	0.9
Bank Overdrafts (Other than Media)	2.4
Current Portion - Notes Payable	469.7
Other Current Liabilities	55.4
<b>Unadjusted Current Liabilities</b>	<b>\$630.2</b>

#### Adjustments to Current Liabilities

Less: Other Accounts Payable (Other than Media)	(\$68.6)
Less: Bank Overdrafts (Other than Media)	(2.4)
Less: Current Portion of Funded Indebtedness	(469.7)
Less: SERP Current Portion	(1.2)
Less: Deferred Comp Plan Liabilities	(0.2)
Less: Pension Current Portion Liabilities	(0.2)
Less: Accrued Restructuring - Short Term	(2.8)
Less: Accrued Interest	(0.7)
Less: Accrued Income Taxes	(1.3)
Less: Liabilities Held for Sale	-
Less: Accrued Bank Fees	(0.1)
Less: Current Liabilities Related to Intercompany Accts	-

**Current Liabilities** **\$83.0**

Current Assets	\$212.1
Less: Current Liabilities	(83.0)
<b>Closing Working Capital</b>	<b>\$129.1</b>

## *Accounting Policies and Procedures*

### I. Accounts Receivable

- A. Reserves: The allowance for doubtful accounts is to be calculated in accordance with GAAP by considering a number of factors, including the length of time Accounts Receivable are past due, previous loss history, the customer's current and projected ability to pay its obligation, any ongoing litigation or disputes with the customer, and the condition of the general economy and industry as a whole. A bad debt reserve is maintained which consists of a specific reserve and a general reserve. In addition there are reserves for potential Bankruptcy preference items or other exposures.

In order to determine the appropriate specific reserve the following steps are performed: A list, referred to as the Watch List Accounts, is created of all larger high risk accounts. These accounts are then analyzed to identify if there is a probability of a collection issue. If an account is determined to be potentially uncollectible, it is immediately specifically reserved for if it is deemed to be an immediate risk. Otherwise, a reserve for the high risk accounts is set at 10% of the Watch List Accounts, but excluding risk accounts rated as 1.. The specific reserves are established based on the probability of collectability and potential recovery.

If a customer goes bankrupt, ceases operations the account is then fully reserved for unless there is specific knowledge that some collection will be possible. Specific reserves are also maintained for customer disputes or other legal issues.

The general reserve for unspecified doubtful accounts is a judgmental reserve which takes into account 1) the overall aging of receivables not covered by specific reserves, 2) the seasonality impact on Accounts Receivable, and 3) the risk profile of customers, and 4) the overall economy.

- B. Valuation: Accounts Receivable are presented in the balance sheet at net realizable value. Net realizable value equals the gross receivable less an allowance for doubtful accounts.

### II. Inventory

#### A. Definitions:

"First In, First Out" and "FIFO" mean a valuation method in which the assets produced or acquired first are sold, used or disposed of first.

"Full Physical Inventory" means the process by which a business physically counts its entire inventory. A physical inventory will be taken as of the Closing Date.

- B. General: Goods and materials received from vendors or produced in house as well as work in process and finished goods are inventoried and included in the balance sheet as an asset.
- C. Exclusion for Valuation Purposes: For valuation purposes, Inventory excludes any material that is not of a quality currently usable.
- D. Valuation: Inventory should be valued on the balance sheet using the FIFO method or specific roll identification method. The specific roll identification for paper values individual rolls at cost. Work in Process and Finished Goods should be valued using a fully loaded cost in accordance with GAAP. There should not be any profit recorded on Work in Process or Finished Goods. Paper inventory should have an Excess & Obsolete ("E&O") reserve.

Paper reserves for excess and obsolete inventory should be established based on the aging of inventory per the table below:

<b>Aging of Paper Inventory</b>	<b>Reserve Requirement</b>
0 to 12 months	0%
greater than 12 months	75%

In the event that ink, plates, blankets and other inventoried items are deemed excess or obsolete, they should be written down to net realizable value

### III. Media Related Payables

- A. Valuation: Media Related Payables are valued at the actual amount owed.

### IV. Accrued Expenses

- A. Definition: Accrued Expenses represent liabilities for expenses which have been incurred as of the Closing Date and are probable and can be reasonably estimated. However, Accrued Expenses as of the closing date should exclude any accrued expenses identified in clauses (d) through (l) in the definition of Current Liabilities as described in Section 1 of the Agreement.



**ANNEX D**

**Post-Sale Hearing Contracts**

[To be provided]

**Exhibit 1**

**AMENDMENT NO. 1 TO  
ASSET PURCHASE AGREEMENT**

THIS AMENDMENT NO. 1 TO ASSET PURCHASE AGREEMENT (this "Amendment"), is made as of this 5<sup>th</sup> day of December, 2012, by and among Vertis Holdings, Inc., a corporation formed under the laws of the State of Delaware ("Parent"), Quad/Graphics Marketing, LLC, a Wisconsin limited liability company ("Buyer") and Quad/Graphics, Inc., a Wisconsin corporation ("Guarantor"). Each of Parent, Buyer and Guarantor are referred to herein individually as a "Party" and collectively as the "Parties." Capitalized terms used in this Amendment but not otherwise defined shall have the meanings set forth in that certain Asset Purchase Agreement, dated as of October 10, 2012 (the "Purchase Agreement"), by and among Parent, Buyer and Guarantor.

**RECITALS**

WHEREAS, the Parties desire to amend the Purchase Agreement according to the terms set forth in this Amendment.

NOW, THEREFORE, in consideration of and subject to the mutual undertakings and agreements hereinafter set forth, the Parties hereby agree as follows:

1. Amendment. The Parties hereby ratify and affirm the Purchase Agreement and the relative rights and obligations of the Parties as set forth in the Purchase Agreement, all of which shall remain in full force and effect except as otherwise expressly amended as set forth herein. After the date hereof, any reference to the Purchase Agreement shall mean the Purchase Agreement as amended or modified hereby.

2. Amendment to Definition of "Acquired Assets". Clause (n) of the definition of "Acquired Assets" in Section 1 of the Purchase Agreement is hereby amended and restated in its entirety to state the following: "(n) all of Sellers' avoidance claims or causes of action (including all rights and avoidance claims and causes of action of Sellers arising under chapter 5 of the Bankruptcy Code or applicable state Law) against parties to Assumed Contracts, to the extent arising under or relating to any Assumed Contract, and any proceeds thereof and property received thereby, together with all of Sellers' other ~~avoidance~~ claims or causes or action arising under the Bankruptcy Code or applicable state Law (including all rights and ~~avoidance~~ claims and causes of action of Sellers arising under chapter 5 of the Bankruptcy Code), and any proceeds thereof and property received thereby, against any Person other than (i) Insiders (as such term is defined in Section 101(31) of the Bankruptcy Code) of the Sellers and (ii) current and former management employees of the Sellers (the claims and causes of action included in this subsection (n) shall be referred to, collectively, as the "Acquired Avoidance Claims"), provided, however, that Buyer hereby agrees not to transfer any of the Acquired Avoidance Claims to any Person and agrees not to commence any action relating to, or otherwise pursue, any of the Acquired Avoidance Claims, and provided further that, notwithstanding anything to the contrary contained in this Agreement, Seller and Buyer hereby agree that all Persons other than (i) Insiders (as such term is defined in Section 101(31) of the Bankruptcy Code) and (ii)

*Handwritten:*  
Presence  
Prevalence  
M

current and former management employees of the Sellers are intended third-party beneficiaries of the foregoing agreements of Buyer relating to the Acquired Avoidance Claims and shall have the right to enforce such agreements in their own name;"

3. Amendment to Definition of "Assumed Contracts". The definition of "Assumed Contracts" in Section 1 of the Purchase Agreement is hereby amended and restated in its entirety to state the following: "means all Contracts set forth on the Final Annex B, and such additional Contracts as may be designated as Assumed Contracts by Buyer in accordance with the terms and conditions of Section 2(c), which will be assumed by Sellers and assigned to Buyer pursuant to section 365 of the Bankruptcy Code in connection with the transactions contemplated in this Agreement."

4. Amendment to Definition of "Excluded Assets". Clause (i) of the definition of "Excluded Assets" in Section 1 of the Purchase Agreement is hereby amended and restated in its entirety to state the following "(i) all of Sellers' avoidance claims or causes of action arising under the Bankruptcy Code or applicable state Law (including all rights and avoidance claims of Sellers arising under chapter 5 of the Bankruptcy Code), except to the extent included in the definition of Acquired Assets;"

5. Addition of Sale Hearing Definition. The following definition is hereby added to Section 1 of the Purchase Agreement:

"Sale Hearing" means the hearing before the Bankruptcy Court to obtain entry of the Sale Order.

6. Addition of Designated Assumed Contracts Definition. The following definition is hereby added to Section 1 of the Purchase Agreement:

"Designated Assumed Contracts" has the meaning set forth in Section 2(c)(ii).

7. Amendments to Section 2(b).

- a. Section 2(b) of the Purchase Agreement is hereby amended to replace the following clause of the first sentence, "At any time prior to the date that is ten (10) Business Days prior to the hearing before the Bankruptcy Court to obtain entry of the Sale Order (the "Sale Hearing")," in its entirety with the clause "At any time prior to the date that is five (5) days prior to the Closing Date,"
- b. Section 2(b) of the Purchase Agreement is hereby further amended to add the following clause to the end of the first sentence of such Section: ", and the final version of each such Disclosure Schedule shall be filed under seal with the Bankruptcy Court no later than four (4) days prior to the Closing Date."

8. Amendment to Section 2(c)(i). Section 2(c)(i) of the Purchase Agreement is hereby amended to replace the first two sentences of such Section in their entirety with the following: "Annex B, which shall initially be prepared by Parent prior to the date of the Sale Hearing (such initial Annex B that is prepared by Parent, the "Initial Annex B"), shall set forth a list of the Contracts that are capable of being assumed by Sellers and assigned to Buyer at the Closing. The Initial Annex B shall also set forth the Cure Amounts necessary to cure any defaults under such Contracts."

9. Amendment to Section 2(c)(ii). Section 2(c)(ii) of the Purchase Agreement is hereby amended and restated in its entirety to state the following: "At any time prior to the date that is five (5) days prior to the Closing Date, Buyer may, by written notice to Parent, remove from the Initial Annex B any Contract that previously has been designated on the Initial Annex B as a Contract that is capable of being assumed by Sellers and assigned to Buyer at the Closing, and such Contract shall thereafter be an Excluded Asset. For the avoidance of doubt, there shall be no adjustment to the Initial Purchase Price or the Final Purchase Price as a result of any such removal. The Initial Annex B, as so amended and modified prior to the date that is five (5) days prior to the Closing Date, shall be referred to as the "Final Annex B", and such Final Annex B shall be filed with the Bankruptcy Court under seal no later than four (4) days prior to the Closing Date, with a separate notice served on the counterparties to each of the Assumed Contracts so designated on the Final Annex B, advising such counterparty of the assumption and assignment of its Contract. Parent shall (and shall cause the Selling Affiliates to) use commercially reasonable efforts to effect the assumption by Sellers and assignment to Buyer of the Contracts as finally designated as Assumed Contracts by Buyer on the Final Annex B in accordance with the Bankruptcy Code pursuant to the Sale Order, which shall authorize and direct Sellers to assume and assign to Buyer, effective as of the Closing Date, the Contracts included on the Initial Annex B, to the extent designated as Contracts to be assumed by Sellers and assigned to Buyer on the Final Annex B. Such Contracts designated on the Final Annex B to be assumed by Sellers and assigned to Buyer shall be referred to, collectively, as the "Designated Assumed Contracts"."

10. Amendment to Section 2(c)(iii). Section 2(c)(iii) of the Purchase Agreement is hereby amended and restated in its entirety to state the following: "At any time prior to the date that is five (5) days prior to the Closing Date, Buyer may, by written notice to Parent, designate any Contract that previously has not been (A) designated on the Initial Annex B as a Contract that is capable of being assumed by Sellers and assigned to Buyer at the Closing, nor (B) rejected by Sellers, as a Contract to be assumed and assigned hereunder, and upon receipt of any such notice, Parent shall (and shall cause the Selling Affiliates to) use commercially reasonable efforts to effect the assumption of such Contract by Sellers and assignment of such Contract to Buyer in accordance with the Bankruptcy Code."

11. Amendment to Section 2(c)(iv). Section 2(c)(iv) of the Purchase Agreement is hereby amended and restated in its entirety to state the following: "[Intentionally Omitted]"

12. Amendments to Section 2(c)(vi).

- a. Section 2(c)(vi) of the Purchase Agreement is hereby amended to delete the first two sentences of such Section in their entirety.
  - b. Section 2(c)(vi) of the Purchase Agreement is hereby further amended to replace the last sentence of such Section in its entirety with the following: "With respect to any Contract that is not disclosed or otherwise made known to Buyer prior to the date that is five (5) days prior to the Closing Date, but if known would have been included on the Final Annex B, or otherwise addressed pursuant to Section 2(c)(iii), and assumed by Sellers and assigned to Buyer as part of Buyer's acquisition of the Acquired Assets, Parent shall, upon notice from Buyer, (and shall cause the Selling Affiliates to) use commercially reasonable efforts to effect the assumption of such Contract by Sellers and assignment thereof to Buyer provided that (A) such Contracts have not been previously assumed or rejected by Sellers in the Chapter 11 Cases, (B) Buyer pays all Cure Amounts with respect thereto, and (C) the Chapter 11 Cases have not yet been closed.
13. Amendment to Section 2(f). Section 2(f) of the Purchase Agreement is hereby amended to add the following clause to the end of the first sentence of such Section: ", or on such other date or at such other place or time as the Parties may mutually agree upon".
14. Removal of Annex D. The reference to Annex D in the Table of Contents of the Purchase Agreement, as well as the placeholder for Annex D attached to the Purchase Agreement, are hereby deleted.
15. Amendment to Section 5(c)(xv). Section 5(c)(xv) of the Purchase Agreement is hereby amended to replace the following clause of clause (Z) "to the extent Buyer is provided written notice of any Seller's intention to reject or terminate any Contract (other than an Undisclosed Contract), at least five (5) Business Days prior to the filing of any motion with the Bankruptcy Court seeking to reject such Contract" in its entirety with the clause, "to the extent Buyer is provided written notice of any Seller's intention to reject or terminate any Contract, as well as a copy of such Contract, at least five (5) Business Days prior to the filing of any motion with the Bankruptcy Court seeking to reject such Contract".
16. Amendment to Section 5(j). Section 5(j) of the Purchase Agreement is hereby amended to replace the following clause of the third sentence of such Section "or with respect to any Post-Sale Hearing Contracts or Undisclosed Contracts" in its entirety with the clause, "or, to the extent required".
17. Amendment to Sections 5(k)(i) and 5(k)(iii). Each of Section 5(k)(i) and Section 5(k)(iii) of the Purchase Agreement is hereby amended to replace the reference to "ten (10) Business Days" from the first sentence of each Section with a reference to "five (5) days".
18. Amendment to Section 5(k)(v). Section 5(k)(v) of the Purchase Agreement is hereby amended to replace the reference to "finalize within 45 days following the Agreement Date" with a reference to "finalize no later than five (5) days prior to Closing".

19. Amendment to Section 5(l). Section 5(l) of the Purchase Agreement is hereby amended to replace the following clause from the start of the third sentence of such Section "Within ten (10) days following the receipt of such documentation," in its entirety with the clause, "No later than December 11, 2012,".

20. Amendment to Section 6(e)(i). Section 6(e)(i) of the Purchase Agreement is hereby amended to replace the reference to "ten (10) days" from the first sentence with a reference to "five (5) days".

21. This Amendment may be executed in any number of counterparts, each of which shall constitute an original instrument, but all of which when taken together shall constitute but one Amendment.

22. This Amendment shall be governed in all respects by the Laws of the State of New York, without regard to any conflict of laws provision that would require the application of the Law of any other jurisdiction other than the principles set forth in Section 5-1401 of the General Obligations law of the State of New York.

*[signatures follow on the next page]*

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

**PARENT:**

**VERTIS HOLDINGS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Jeffrey P. Pritchett*  
\_\_\_\_\_  
Jeffrey P. Pritchett  
\_\_\_\_\_  
SVP, District SFO  
\_\_\_\_\_

**BUYER:**

**QUAD/GRAPHICS MARKETING, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GUARANTOR:**

**QUAD/GRAPHICS, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



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

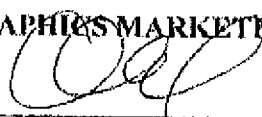
**PARENT:**

**VERTIS HOLDINGS, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

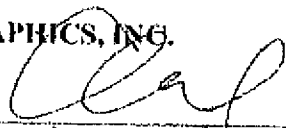
**BUYER:**

**QUAD/GRAPHICS MARKETING, LLC**

By:  \_\_\_\_\_  
Name: Andrew Schiosl  
Title: Vice President + General Counsel

**GUARANTOR:**

**QUAD/GRAPHICS, INC.**

By:  \_\_\_\_\_  
Name: Andrew Schiosl  
Title: Vice President + General Counsel

**TRADEMARK**

**REEL: 005289 FRAME: 0617**

**ASSET PURCHASE AGREEMENT  
DISCLOSURE SCHEDULES**

These are the disclosure schedules (the “Schedules”) to that certain Asset Purchase Agreement, dated as of October 10, 2012 (the “Agreement”), by and among Vertis Holdings, Inc., a Delaware corporation (“Parent”), Quad/Graphics Marketing, LLC, a Wisconsin limited liability company (“Buyer”), and Quad/Graphics, Inc., a Wisconsin corporation (“Guarantor”).

1. The capitalized terms used and not defined in the Schedules have the respective meanings given to them in the Agreement. The content of the Schedules is subject to the principles of interpretation set forth in Sections 5(m) and 10(d) of the Agreement.
2. The introductory language and headings, if any, of the individual sections of the Schedules are inserted for convenience only, will not be deemed to constitute a part of the Schedules or of the Agreement, and will not create different standards for disclosure than those set forth in the Agreement.
3. The inclusion of an item on the Schedules as an exception to a representation or warranty will not be deemed an admission or acknowledgment, in and of itself, that (a) such item is required to be listed on the Schedules, (b) such item represents a material exception or fact, event, or circumstance, (c) such item has had, or is expected to result in, a Material Adverse Effect or (d) such item constitutes noncompliance with, or a violation of, any applicable Law, Permit, or Contract, or other topic to which such disclosure is applicable.
4. The inclusion of an item on the Schedules shall not be deemed an admission or acknowledgment that any such item is an Assumed Contract or an Assumed Liability.
5. Each item disclosed in the Schedules shall constitute an exception to the correspondingly numbered Section of the representation, warranty, covenant, and agreement that references such item in the Schedules and also shall be deemed to be disclosure with respect to all other representations, warranties, covenants, and agreements to the extent that the relevance of the disclosed information to such other representations, warranties, covenants, and agreements is readily apparent on its face, notwithstanding the presence or absence of an appropriate Section of the Schedules with respect to such other representations, warranties, covenants, and agreements or an appropriate cross-reference thereto.
6. The Confidentiality Agreement and Section 10(a) of the Agreement apply, in accordance with their respective terms, to all information set forth in the Schedules.

7. The Schedules qualify the representations, warranties, covenants, and agreements of Parent set forth in the Agreement as if the Schedules were fully incorporated into, and made a part of, the Agreement.
8. The Schedules may include items or information which are not required to be disclosed under the Agreement and disclosure of such items or the information shall not affect (directly or indirectly) the interpretation of the Agreement or the scope of the disclosure obligation of the parties under the Agreement.
9. The information in the Schedules are being provided as required under the Agreement. In disclosing this information, the parties expressly do not waive any attorney-client privilege associated with any such information or any protection afforded by the “work product doctrine” with respect to any of the matters disclosed or discussed herein.

**Schedule 1.1(j)**

**Insurance Policies and Binders**

**PROPERTY**

<b><u>Policy Number</u></b>	<b><u>Insurance Carrier</u></b>	<b><u>Rating (AM Best)</u></b>	<b><u>Limits (Occurrence/Aggregate)</u></b>
<b>All Risk</b>			
LQ052	Factory Mutual Insurance Company	A+ XV	<p><i>Policy Limit: \$1,668,874,204 per occurrence</i></p> <p><b>Sublimits:</b></p> <p><i>\$250,000,000 (ann. agg.) Earth Movement (except \$20,000,000 for CA, \$25,000,000 for New Madrid, \$50,000,000 for Pacific Northwest, \$100,000,000 for Utah</i></p> <p><i>\$250,000,000 (ann. agg.) Flood (except \$100,000,000 for locations at 6031, 6035 &amp; 6221 Northeast 92nd Ave, Portland, OR &amp; 8811 &amp; 8933 NE Marx Drive, Portland, OR &amp; 8000 &amp; 8120 Ambassador Row, Dallas, TX \$40,000,000 for CA</i></p> <p><i>\$25,000,000 Misc. Unnamed Locations, Contingent TE, Leasehold Interest, Service Interruption Property Damage and Time Element combined (except \$1,000,000 for data/voice/video service), Transportation (except \$10,000,000 for Time Element)</i></p> <p><i>\$100,000,000 Accounts Receivable, Deferred Payments, Errors &amp; Omissions, Expediting Costs and Extra Expense (combined), Fine Arts, Valuable Papers (except \$500,000 for photos)</i></p> <p><i>\$10,000,000 Coinsurance Deficiency and Currency Devaluation, Data programs or software and computer systems - non-physical damage (combined), Misc. personal property per location, Non-admitted increased tax liability, Off-premises storage for property under construction, Soft costs</i></p> <p><i>\$5,000,000 Neighbor's Recourse and Tenant's Liability, Misc. personal property, Off-Premises storage for property under construction, temporary removal of property, ensuing flood)</i></p> <p><i>\$100,000 Professional Fees</i></p> <p><i>\$50,000 (ann. agg.) Contaminant Cleanup, removal and disposal from land and water</i></p> <p><b>Deductibles</b></p> <p><i>\$100,000 per occurrence PD/TE combined per occurrence 5% / \$100,000 minimum per occurrence for High Hazard Earthquake</i></p> <p><i>\$500,000 for High Hazard zone Flood except \$100,000 if excess of NFIP policy,</i></p>

*\$100,000 per occurrence for Logistics Extra Cost*  
*3% TIV / \$100,000 minimum per location for Tier 1 Wind*  
*2% TIV / \$100,000 minimum per location for Tier 2 Wind*  
*\$100,000 per location for Northeast Wind Counties*  
*2 day / \$250,000 minimum per occurrence for Computer*  
*Systems Non-physical Damage, Data programs or*  
*Software*

**Motor Truck Cargo Legal Liability**

QT-660- 9967N805-TIL- 12	Travelers Property Casualty Company of America	A+ g XV	<i>\$200,000 Limit - In or On Any Land Vehicle or Container</i>  <i>\$0 - At Terminal Located</i> <i>\$200,000 - At Other Locations</i> <i>\$200,000 - All Covered Property in Any One Occurrence</i>
--------------------------------	--	---------	---

**NFIP Flood Policies**

AB00073971	American Bankers Insurance Company	A g XIII	<i>Covered Location: 810 E South St Ofc Store</i> <i>Marengo, IA 52301-1831</i>  <i>Building Limit: \$181,200</i> <i>Contents Limit: \$107,200</i>
4000256797	FEMA	N/A	<i>Covered Location: 1201 Shore St.</i> <i>W Sacramento, CA 95691</i> <i>Building Limit: \$500,000</i> <i>Contents Limit: \$500,000</i>
4000256802	FEMA	N/A	<i>Covered Location: 1630 Terminal St. W Sacramento, CA</i> <i>91740</i> <i>Building Limit: \$0</i> <i>Contents Limit: \$500,000</i>

**Schedule 1.1(q)**

**Other Acquired Assets**

1. None.

**Schedule 1.2**

**Acquired Intellectual Property**

**Patents - US**

<u>Title</u>	<u>Country</u>	<u>Patent No.</u> <u>(App. No.)</u>	<u>Issue Date</u> <u>(App. Date)</u>	<u>Record Owner</u>	<u>Status</u>
1. Method For Manufacturing A Pop-Up Article	USA	7845099	07-DEC-2010	Vertis, Inc.	Issued
2. Method For Making A Paper Card With Printed Graphics And Magnetically Encoded Stripe	USA	6152029	28-Nov-2000	Vertis, Inc.	Issued
3. Process For The In-Line, High Speed Manufacturing Of Magnetic Products	USA	5869148	09-Feb-1999	Vertis, Inc.	Issued
4. Apparatus and Method for Creating an Insert on an Inline Printing Press	USA	7461836	09-Dec-2008	Vertis, Inc.	Issued
5. Pop Up Article	USA	8020325	20-Sep-2011	Vertis, Inc.	Issued

6.	Erasable Scratch-Off Ticket	USA	5544881	13-Aug-1996	Webcraft Technologies Inc.	Issued
----	--------------------------------	-----	---------	-------------	----------------------------------	--------




**Patents - Other**





<u>Title</u>	<u>Country</u>	<u>Patent No.</u> <u>(App. No.)</u>	<u>Issue Date</u> <u>(App. Date)</u>	<u>Record Owner</u>	<u>Status</u>
1. Scratch-Off Game Card Including Ink For Making Markings Thereon And A Method Of Making Same	Israel	118506	28-Oct-1999 (05-May-1996)	Webcraft, LLC	Issued

**Trademarks – US**

	<u>Mark</u>	<u>Jurisdiction</u>	<u>Reg. No.</u> <u>(serial no.)</u>	<u>Registered</u> <u>(filed)</u>	<u>Owner (s)</u>	<u>Status</u>
1.	ACOMS	U.S. Federal	3423260	06-MAY-2008	American Color Graphics, Inc. DBA American Color	Registered
2.	ACOMS	U.S. Federal	3325073	30-OCT-2007	American Color Graphics, Inc. DBA American Color	Registered
3.	ADNEXUS	U.S. Federal	2794646	16-DEC-2003	Vertis, Inc.	Registered
4.	COLORRIGHT	U.S. Federal	3184171	12-DEC-2006	American Color Graphics, Inc. DBA American Color	Registered
5.	CUSTOMER FOCUS	U.S. Federal	2797513	23-DEC-2003	Vertis, Inc.	Registered
6.	ENKLAVMERCHA NT	U.S. Federal	2898080	26-OCT-2004	Vertis, Inc.	Registered
7.	ENKLAVPUBLISH ER	U.S. Federal	2855066	15-JUN-2004	Vertis, Inc.	Registered
8.	ENKLAVVISION	U.S. Federal	2936789	29-MAR-2005	Vertis, Inc.	Registered
9.	ENKLAVVOICE	U.S. Federal	3151470	03-OCT-2006	Vertis, Inc.	Registered
10.	INSERTS2ONLINE	U.S. Federal	2877015	24-AUG-2004	Vertis, Inc.	Registered
11.	PAGESCRIPT XT	U.S. Federal	3021355	29-NOV-2005	American Color Graphics, Inc. DBA American Color	Registered
12.	PLYPAK	U.S. Federal	2115653	25-NOV-1997	Webcraft, LLC	Registered

	<u>Mark</u>	<u>Jurisdiction</u>	<u>Reg. No.</u> <u>(serial no.)</u>	<u>Registered</u> <u>(filed)</u>	<u>Owner (s)</u>	<u>Status</u>
13.	RIGHT PRODUCT RIGHT TIME	U.S. Federal	2946178	03-MAY-2005	Vertis, Inc.	Registered
14.	THESPECDEPT.CO M	U.S. Federal	2425136	30-JAN-2001	Vertis, Inc.	Registered
15.	TURN TO US	U.S. Federal	3232903	24-APR-2007	Vertis, Inc.	Registered
16.	USA DIRECT	U.S. Federal	1628567	18-DEC-1990	Webcraft, LLC	Registered
17.	VERTIS	U.S. Federal	2622888	24-SEP-2002	Vertis, Inc.	Registered
18.	VERTIS	U.S. Federal	2800699	30-DEC-2003	Vertis, Inc.	Registered
19.	 vertis communications	U.S. Federal	3473942	22-JUL-2008	Vertis, Inc.	Registered
20.	VERTIS MEDIA/TNN	U.S. Federal	3098158	30-MAY-2006	Vertis, Inc.	Registered
21.	VISION BANK	U.S. Federal	2238436	13-APR-1999	Vertis, Inc.	Registered
22.	WEBCRAFT	U.S. Federal	1016544	22-JUL-1975	Vertis, Inc.	Registered

### Trademarks - Other

	<u>Mark</u>	<u>Jurisdiction</u>	<u>Reg. No.</u> <u>(serial no.)</u>	<u>Registered</u> <u>(filed)</u>	<u>Owner (s)</u>	<u>Status</u>
1.		Brazil	818893044	10-OCT-2000	Webcraft Technologies Inc.	Registered (Expiration date 10-OCT-2010)
2.		Canada	TMA496819	30-JUN-1998	Webcraft Technologies Inc.	Registered
3.	NN & Design 	Canada	TMA475309	28-APR-1997	Vertis, Inc.	Registered
4.	THE NEWSPAPER NETWORK	Canada	TMA505061	04-DEC-1998	Vertis, Inc.	Registered
5.	VERTIS	Canada	TMA600603	27-JAN-2004	PrintCo, Inc.*	Registered
6.	INFRASTREAM	CTM (European Union)	3855376	13-SEP-2005 (02-JUN-2004)	PrintCo, Inc.*	Registered
7.	NN & Design 	Mexico	475441	29-SEP-1994	Vertis, Inc.	Registered
8.	THE NEWSPAPER NETWORK	Mexico	469210	10-AUG-1994	Vertis, Inc.	Registered
9.	VERTIS	France	01 3135220	(05-DEC-2001)	Vertis, Inc.*	Registered
10.	VERTIS	Germany	30202253	11-APR-2002	Vertis, Inc.*	Registered
11.	VERTIS	India	(1285339)	(20-MAY-2004)	PrintCo, Inc.*	Pending
12.	VERTIS	Mexico	840495	02-JUL-2004 (10-NOV-2000)	Treasure Chest Advertising Company, Inc.†	Registered
13.	VERTIS	U.K.	2282986	09-MAY-2003 (11-OCT-2001)	PrintCo, Inc.*	Registered

\* Record owner. PrintCo, Inc. was merged into Vertis Inc. on December 31, 2005; as such, this registration is now owned beneficially by Vertis Inc.

<sup>+</sup> Record owner. Treasure Chest Advertising Company, Inc. was merged into Vertis Inc. on December 31, 2000; as such, this registration is now owned beneficially by Vertis Inc.

**Copyrights - US**

	<u>Title</u>	<u>Registration Number</u>	<u>Owner</u>	<u>Status</u>
1.	Digitango portfolio: no. 1	VAu00600536	Vertis, Inc.	Registered
2.	31 tips to improve your order form	TX0001243775	Webcraft, LLC	Registered

**Copyrights – Other**

	<u>Title of Work</u>	<u>Record Owner</u>	<u>Registration Number</u>	<u>Registration Date</u>
1	K-tec kitchen champ	USA Direct, Inc.	PA0000735677	06-16-1994
2	K-TEC kitchen champ.	USA Direct, Inc.	PA0000708601	06-13-1994
3	love me on Tuesday	USA Direct, Inc.	TX0006866747	08-21-2008
4	Love Me On Tuesday.	USA Direct, Inc.	TXu001633944	04-24-2009
5	A GBP comics primer.	Greater Buffalo Press, Inc. <i>GBP*</i>	TX0002167672	10-08-1987
6	The Press / Janet Tober, editor ; Lenord Bethel, art director.	the Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1987
7	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 12, no. 1, autumn 87	the Greater Buffalo Press, Inc.	TX0002159595	10-08-1987
8	The Press / Janet Tober, editor ; Lenord Bethel, art director.	the Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1986
9	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 11, no. 1, Jun86	the Greater Buffalo Press, Inc.	TX0001833964	06-23-1986
10	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 11, no. 2, Nov86	the Greater Buffalo Press, Inc.	TX0002000667	01-22-1987

	<u>Title of Work</u>	<u>Record Owner</u>	<u>Registration Number</u>	<u>Registration Date</u>
11	The Press / Janet Tober, editor ; Lenord Bethel, art director.	The Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1985
12	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 10, no. 1	The Greater Buffalo Press, Inc.	TX0001641307	08-06-1985
13	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 10, no. 2	The Greater Buffalo Press, Inc.	TX0001726644	01-07-1986
14	The Press / Janet Tober, editor ; Lenord Bethel, art director.	The Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1984
15	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 8, no. 4	The Greater Buffalo Press, Inc.	TX0001282176	01-09-1984
16	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 9, no. 1	The Greater Buffalo Press, Inc.	TX0001340823	04-20-1984
17	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 9, no. 2, 26Jun84	The Greater Buffalo Press, Inc.	TX0001387724	06-28-1984
18	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 9, no. 3, 8Oct84	The Greater Buffalo Press, Inc.	TX0001445954	10-15-1984
19	The Press / Janet Tober, editor ; Lenord Bethel, art director.	The Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1983



	<u>Title of Work</u>	<u>Record Owner</u>	<u>Registration Number</u>	<u>Registration Date</u>
20	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 8, no. 1, Feb83	The Greater Buffalo Press, Inc.	TX0001062666	02-25-1983
21	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 7, no. 2	The Greater Buffalo Press, Inc.	TX0001141118	06-13-1983
22	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 7, no. 3	The Greater Buffalo Press, Inc.	TX0001223693	08-01-1983
23	The Press / Janet Tober, editor ; Lenord Bethel, art director.	The Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1982
24	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 7, no. 1, Jan82	The Greater Buffalo Press, Inc.	TX0000851902	02-08-1982
25	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 7, no. 2, Apr82	The Greater Buffalo Press, Inc.	TX0000893790	04-23-1982
26	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 7, no. 3, Jul82	The Greater Buffalo Press, Inc.	TX0000962219	08-06-1982
27	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 7, no. 4, Nov82	The Greater Buffalo Press, Inc.	TX0001018792	11-18-1982
28	The Press / Janet Tober, editor ; Lenord Bethel, art director.	Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1981

	<u>Title of Work</u>	<u>Record Owner</u>	<u>Registration Number</u>	<u>Registration Date</u>
29	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 6, no. 1, Jan81	Greater Buffalo Press, Inc.	TX0000660512	01-23-1981
30	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 6, no. 2, Mar81	Greater Buffalo Press, Inc.	TX0000660513	03-24-1981
31	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 6, no. 3, May81	Greater Buffalo Press, Inc.	TX0000716415	06-03-1981
32	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 6, no. 5, Sep81	Greater Buffalo Press, Inc.	TX0000770603	10-01-1981
33	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 6, no. 6, Nov81	Greater Buffalo Press, Inc.	TX0000821492	11-23-1981
34	The Press / Janet Tober, editor ; Lenord Bethel, art director.	Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1980
35	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 5, no. 1, Jan80	Greater Buffalo Press, Inc.	TX0000403626	01-30-1981
36	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 5, no. 2, Mar80	Greater Buffalo Press, Inc.	TX0000454638	03-10-1980

	<u>Title of Work</u>	<u>Record Owner</u>	<u>Registration Number</u>	<u>Registration Date</u>
37	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 5, no. 4, Oct80	Greater Buffalo Press, Inc.	TX0000568540	10-15-1980
38	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 5, no. 5, Nov80	Greater Buffalo Press, Inc.	TX0000628582	11-21-1980
39	The Press / Janet Tober, editor ; Lenord Bethel, art director.	Greater Buffalo Press, Inc.	CSN0006182	Serial Publication Year: 1979
40	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 4, no. 1, Jan79	Greater Buffalo Press, Inc.	TX0000201153	02-12-1979
41	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 4, no. 2, May79	Greater Buffalo Press, Inc.	TX0000255796	05-18-1979
42	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 4, no. 3, Jul79	Greater Buffalo Press, Inc.	TX0000297135	07-25-1979
43	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 4, no. 4, Sep79	Greater Buffalo Press, Inc.	TX0000325572	09-20-1979
44	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 4, no. 5, Nov79	Greater Buffalo Press, Inc.	TX0000418487	11-16-1979

	<u>Title of Work</u>	<u>Record Owner</u>	<u>Registration Number</u>	<u>Registration Date</u>
45	The Press / Janet Tober, editor ; Lenord Bethel, art director.	Greater Buffalo Press, Inc. <i>GBP*</i>	CSN0006182	Serial Publication Year: 1978
46	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 3, no. 1, Jan78	Greater Buffalo Press, Inc.	TX0000019239	03-13-1978
47	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 3, no. 2, Mar78	Greater Buffalo Press, Inc.	TX0000092697	03-20-1978
48	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 3, no. 3, May78	Greater Buffalo Press, Inc.	TX0000067626	06-30-1978
49	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 3, no. 5, Sep78	Greater Buffalo Press, Inc.	TX0000112997	09-18-1978
50	The Press / Janet Tober, editor ; Lenord Bethel, art director.; v. 3, no. 6, Nov78	Greater Buffalo Press, Inc.	TX0000201152	02-07-1979
51	EventMGR (also " <i>Eventmgr enterprise edition</i> ").	American Color Graphics, Inc.	TX0005630197	05-31-2002

### Other Material Intellectual Property Owned by Vertis

The following are software products that were created by Vertis and are deployed either internally or at client sites:

1. VMAC – software backbone for financial reporting system
2. AdPro - Advertising production software to build advertising pages
3. AdPro Lite - a functionality-limited version of AdPro
4. I2O - Insert2Online: this takes weekly circulars and digitizes the pages and presents them online; web, mobile web, mobile apps
5. I2O Lite - similar to I2O except it persists PDF's instead of individual digitized products
6. AdNexus - online collaborative proofing system
7. MRM - Marketing Resource Management: a campaign workflow and project management solution
8. TMP - Targeted Marketing Portal: a solution used to automate highly complex and variable digital products for Direct Mail/Marketing
9. DataTrak - A product similar to VMAC (software for financials and reporting), but specific to the Retail/Inserts business units
10. Enklav - a content management and marketing solution
11. Vodam - a digital asset management solution
12. Colorstor - a digital asset management and distribution solution
13. Jack's Tools – a collection of utilities that have been deployed at client sites that serve to automate workflow and digital asset management
14. WCM - Web Content Management; and enterprise-grade content management solution
15. AEMS (Advertising Event Managing Software) - software that supports the market definition and distribution area buying plans for Media Services

### Material Licensed Third-Party Software

1. Kronos - Payroll timekeeping system

2. Peoplesoft - customized version of Peoplesoft used for payroll processing
3. SAP - used for ERP specifically in support of the Direct Marketing business unit
4. Adobe CLP (CS, Acrobat, Font Folio) - internal Vertis use and integrated to/with client for processing digital imaging
5. Dalim – automated imposition, workflow and composition solutions for comprehensive client processing work – primarily used by Retail/Inserts business units
6. Microsoft Enterprise/Select Agreements (Desktop/Server Products)
7. Oracle – several versions of Oracle Enterprise database solution and related utilities
8. Now Technology Group - web-to-print portal solution for direct mail clients
9. IBM – several versions of IBM operating system(s), database solution(s) and related utilities
10. GMC - automated imposition, workflow and composition solutions for comprehensive client processing work – primarily used by Direct Mail business unit
11. Equilibrium – MediaRich - automated image processing and translation software
12. Sybase - Adaptive Server Enterprise - enterprise data base
13. Kodak - Smart Review - automated proofing solution
14. Silicon Publishing - Silicon Designer - automated image processing, translation and event automation software
15. Genuitec - MyEclipse for Spring - utility for JAVA software development
16. Sencha - ExtJS and Architect - utility for JAVA software development
17. Icen Technology - Argus - utility for JAVA software development
18. Accusoft - ImageGear - utility for JAVA software development
19. Helios - automated image processing software
20. MediaBeacon – image processing and proofing software
21. Xinet – operating system software to drive a specific set of digital print devices
22. Symantec - solution set for managing enterprise security and asset management

23. Veeam - virtual machine (VM) back-up software
24. Quark - digital creative suite
25. Alwan - color correctness software
26. Group Logic - Zip code and mail processing software
27. VMware - a solution set of utilizes and services that virtualize physical servers
28. Red Hat - Linux operating system utilities and support
29. Accusoft - imaging and image manipulation software
30. PDFlib - software specifically used in manipulating PDF's
31. Strongmail – software used to provide Email Service Provider (ESP) services
32. Checkpoint - firewall security software
33. Cisco IOS - network router and appliance software
34. Tecra – front end portal solution set and utilities to automate and customize web-to-print solutions
35. MSA – My Sales Assistant – contract database system
36. Coupa - software that automated Supply Chain functions
37. Pageflex - marketing, web-to-print and print automation software
38. Unidata - operating system used to build internal ERP solution

Intellectual Property Licensed to Third Parties:

1. License to Pollard Banknote, dated December 1996, between Webcraft Technologies, Webcraft Games, Inc. and Pollard Banknote

## Domain Names

<u>Domain Name</u>	<u>Account No.</u>	<u>Points To</u>	<u>Expiration Date</u>	<u>Account Holder</u>
1. 2009bridge.org	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/15/2013	Vertis, Inc.
2. adinsertsonline.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/18/2013	Vertis, Inc.
3. adnettdw.com	Vertis, Inc. (5831991)	dns249.d.register.com dns230.c.register.com dns059.b.register.com  ns118.a.register.com	6/5/2013	Vertis, Inc.
4. adout.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/1/2016	Vertis, Inc.
5. ads2online.com	Vertis, Inc. (5831991)	dns172.a.register.com dns010.d.register.com dns026.c.register.com  ns092.b.register.com	6/12/2013	Vertis, Inc.
6. amcg.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/27/2017	Vertis, Inc.
7. amcolor.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/3/2017	Vertis, Inc.
8. americancolor.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/5/2016	Vertis, Inc.
9. americancolorgraphicsinc.com	Vertis, Inc. (5831991)	ADNS Services	5/18/2016	Vertis, Inc.
10. autoadsnow.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/9/2015	Vertis, Inc.
11. bgccm.com	Vertis, Inc. (5831991)	enginroomdm.com engineeromdigital.com	3/24/2013	Vertis, Inc.
12. bwrpromotions.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/11/2013	Vertis, Inc.
13. catalogs2online.com	Vertis, Inc. (5831991)	dns249.d.register.com dns039.b.register.com dns230.c.register.com  ns233.a.register.com	6/12/2013	Vertis, Inc.
14. catmms.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/3/2014	Vertis, Inc.
15. cflaseinfo.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/30/2013	Vertis, Inc.
16. cfocpm2011.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/22/2013	Vertis, Inc.
17. cfocpm2012.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/17/2013	Vertis, Inc.
18. cfoppc2011.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/27/2013	Vertis, Inc.
19. cfoppc2012.com	Vertis, Inc. (5831991)	Under Construction Page	9/28/2013	Vertis, Inc.
20. cforw2011.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/28/2013	Vertis, Inc.
21. colorspace.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/11/2018	Vertis, Inc.
22. coreconcerns2011.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/5/2013	Vertis, Inc.
23. digitango.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/12/2015	Vertis, Inc.
24. dimensions.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/12/2013	Vertis, Inc.
25. direct-e.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/24/2012	Vertis, Inc.
26. dsgnjdev.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/27/2013	Vertis, Inc.
27. dsgnjuat.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/27/2013	Vertis, Inc.
28. enklav.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/19/2016	Vertis, Inc.



25	enklav.net	Vertis, Inc. (5831991)	ns1.lamedelegation.net ns2.lamedelegation.net	12/19/2016	Vertis, Inc.
30	enklavtdw.com	Vertis, Inc. (5831991)	dns249.d.register.com dns232.c.register.com dns085.a.register.com  ns203.b.register.com	6/5/2013	Vertis, Inc.
31	funne.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/28/2014	Vertis, Inc.
32	funnestor.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/12/2012	Vertis, Inc.
33	gatormailnow.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/15/2013	Vertis, Inc.
34	ghmayhemfest.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	9/16/2013	Vertis, Inc.
35	imagetap.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/13/2013	Vertis, Inc.
36	imaginationbrewery.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/13/2013	Vertis, Inc.
37	innerlogic.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/26/2013	Vertis, Inc.
38	inserts2online.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/12/2013	Vertis, Inc.
39	lasertechcolor.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/25/2015	Vertis, Inc.
40	liquidgraphix.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/16/2015	Vertis, Inc.
41	livetheharleydream.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	9/28/2013	Vertis, Inc.
42	lot44.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/13/2013	Vertis, Inc.
43	ltcgroup.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/11/2012	Vertis, Inc.
44	mauricesholiday.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/7/2013	Vertis, Inc.
45	metrepinfo.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/3/2015	Vertis, Inc.
46	mitsudemo.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/12/2013	Vertis, Inc.
47	mopargiveaway.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/13/2013	Vertis, Inc.
48	mshvertisprint.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/24/2013	Vertis, Inc.
49	my-childrencyourtyard.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
50	my-childtime.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
51	my-lapetite.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
52	my-tutortime.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
53	mychildrencyourtyard.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
54	mychildtime.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
55	mychryslerprize.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/18/2013	Vertis, Inc.
56	mycjdprize.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/18/2013	Vertis, Inc.
57	mydodgeprize.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/18/2013	Vertis, Inc.
58	myharleyfitforme.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/20/2013	Vertis, Inc.

55	myhridrersedge.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/25/2013	Vertis, Inc.
60	myjeeprize.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/18/2013	Vertis, Inc.
61	mylapetite.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
62	mylearningcaregroup.com	Vertis, Inc. (5831991)	ns.rackspace.com ns2.rackspace.com	10/20/2013	Vertis, Inc.
63	myram1500offer.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/22/2013	Vertis, Inc.
64	mytutortime.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/19/2013	Vertis, Inc.
65	news2online.com	Vertis, Inc. (5831991)	dns249.d.register.com dns241.c.register.com dns149.b.register.com  ns214.a.register.com	6/12/2013	Vertis, Inc.
66	onlinecircular.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/25/2013	Vertis, Inc.
67	reach-america.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/17/2013	Vertis, Inc.
68	redcrossmailnow.org	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/2/2013	Vertis, Inc.
69	rop2online.com	Vertis, Inc. (5831991)	dns010.d.register.com dns154.b.register.com dns117.a.register.com  ns029.c.register.com	6/12/2013	Vertis, Inc.
70	securemailnow.com	Vertis, Inc. (5831991)	ns2.netrax.net ns1.netrax.net	3/4/2013	Vertis, Inc.
71	shoecarnivalgo.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/7/2013	Vertis, Inc.
72	sitrev.com	Vertis, Inc. (5831991)	ns2.mediatemple.net ns1.mediatemple.net	12/21/2012	Vertis, Inc.
73	specdepartment.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/17/2012	Vertis, Inc.
74	specdept.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/3/2013	Vertis, Inc.
75	targetreach.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/21/2015	Vertis, Inc.
76	tcadvertising.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/3/2013	Vertis, Inc.
77	tcaims.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/3/2015	Vertis, Inc.
78	thespecdepartment.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/3/2013	Vertis, Inc.
79	thespecdept.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/27/2013	Vertis, Inc.
80	thinkppd.com	Vertis, Inc. (5831991)	Under Construction Page	12/22/2012	Vertis, Inc.
81	tnninc.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/17/2013	Vertis, Inc.
82	totalpaper.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/6/2020	Vertis, Inc.
83	totalpapersupply.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/6/2020	Vertis, Inc.
84	treasurechestofvalues.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/11/2012	Vertis, Inc.
85	tryaharley.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/18/2013	Vertis, Inc.
86	usa-direct.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/9/2013	Vertis, Inc.
87	usamailnow.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/10/2014	Vertis, Inc.
88	vertis-inc.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/5/2019	Vertis, Inc.

85	vertis-nps.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/31/2015	Vertis, Inc.
90	vertis-postal- optimization.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/2/2013	Vertis, Inc.
91	vertis-we-make-it- happen.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/18/2013	Vertis, Inc.
92	vertisaims.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/27/2014	Vertis, Inc.
93	vertisapps.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/7/2013	Vertis, Inc.
94	vertisapps.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/28/2013	Vertis, Inc.
95	vertisbranding.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
96	vertisbridge.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/17/2013	Vertis, Inc.
97	vertiscareers.com	Vertis, Inc. (5831991)	ns67.domaincontrol.com ns68.domaincontrol.com	12/31/2014	Vertis, Inc.
98	vertiscga2012.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/15/2013	Vertis, Inc.
99	vertiscommunication.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/26/2015	Vertis, Inc.
100	vertiscommunications.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/2/2014	Vertis, Inc.
100	vertisconverge.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/31/2014	Vertis, Inc.
100	vertiscreative.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/21/2013	Vertis, Inc.
100	vertisrnc.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/13/2013	Vertis, Inc.
100	vertisdesign.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
100	vertisdigital.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
100	vertisdigitalmedia.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/9/2013	Vertis, Inc.
100	vertisdisplay.com	Vertis, Inc. (5831991)	ns13.domaincontrol.com ns14.domaincontrol.com	12/31/2014	Vertis, Inc.
100	vertisdma2011.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/24/2013	Vertis, Inc.
100	vertisemail.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/17/2013	Vertis, Inc.
11	vertisengagement.com	Vertis, Inc. (5831991)	ns39.domaincontrol.com ns40.domaincontrol.com	12/31/2014	Vertis, Inc.
11	vertiseurope.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/16/2013	Vertis, Inc.
11	vertisformula.com	Vertis, Inc. (5831991)	ns51.domaincontrol.com ns52.domaincontrol.com	12/31/2014	Vertis, Inc.
11	vertisfreeanalysis.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/31/2014	Vertis, Inc.
11	vertisfreedisplay.com	Vertis, Inc. (5831991)	ns53.domaincontrol.com ns54.domaincontrol.com	12/31/2014	Vertis, Inc.
11	vertisfreeformula.com	Vertis, Inc. (5831991)	ns51.domaincontrol.com ns52.domaincontrol.com	12/31/2014	Vertis, Inc.
11	vertisfreemultichannel.com	Vertis, Inc. (5831991)	ns28.domaincontrol.com ns27.domaincontrol.com	12/31/2014	Vertis, Inc.
11	vertisfreepurls.com	Vertis, Inc. (5831991)	ns51.domaincontrol.com ns52.domaincontrol.com	12/31/2014	Vertis, Inc.
11	vertisgrocery.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/24/2013	Vertis, Inc.

11	vertisholdings.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/24/2012	Vertis, Inc.
12	vertisinc.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/28/2019	Vertis, Inc.
12	vertisinc.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/28/2019	Vertis, Inc.
12	vertisincorporated.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/1/2013	Vertis, Inc.
12	vertisinsight.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/31/2014	Vertis, Inc.
12	vertisintelligence.com	Vertis, Inc. (5831991)	Under Construction Page	10/18/2013	Vertis, Inc.
12	vertisinteractive.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
12	vertisinternational.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/1/2013	Vertis, Inc.
12	vertisinvestments.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
12	vertislegal.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
12	vertislogistics.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/18/2016	Vertis, Inc.
13	vertismail.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/25/2015	Vertis, Inc.
13	vertismailtrail.com	Vertis, Inc. (5831991)	udns1.ultradns.net udns2.ultradns.net	5/10/2013	Vertis, Inc.
13	vertismakeover.com	Vertis, Inc. (5831991)	ns04.domaincontrol.com ns03.domaincontrol.com	12/31/2014	Vertis, Inc.
13	vertismarcom.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
13	vertismarketing.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
13	vertismedia.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/12/2013	Vertis, Inc.
13	vertismediaonline.com	Vertis, Inc. (5831991)	dns249.d.register.com dns169.a.register.com dns247.b.register.com  ns228.c.register.com	6/12/2013	Vertis, Inc.
13	vertismms.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/27/2016	Vertis, Inc.
13	vertismobile.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/9/2013	Vertis, Inc.
13	vertismultichannel.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/31/2014	Vertis, Inc.
14	vertisnext.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/13/2013	Vertis, Inc.
14	vertisondemand.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/5/2015	Vertis, Inc.
14	vertisondemand.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/5/2015	Vertis, Inc.
14	vertisondemandcm.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/4/2013	Vertis, Inc.
14	vertisondemandcm.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	5/4/2013	Vertis, Inc.
14	vertisonlinesolutions.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/27/2015	Vertis, Inc.
14	vertisonlinesolutions.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/27/2015	Vertis, Inc.
14	vertispaper.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/27/2014	Vertis, Inc.
14	vertisperformance.com	Vertis, Inc. (5831991)	ns39.domaincontrol.com ns40.domaincontrol.com	12/31/2014	Vertis, Inc.

14	vertispersona.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/31/2014	Vertis, Inc.
15	vertispima.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	6/29/2013	Vertis, Inc.
15	vertispurls.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	12/31/2014	Vertis, Inc.
15	vertisqr.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/24/2013	Vertis, Inc.
15	vertisqrpromo.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	4/29/2013	Vertis, Inc.
15	vertisstudio.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/7/2015	Vertis, Inc.
15	vertisstudios.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	7/25/2015	Vertis, Inc.
15	vertisstudiosgroup.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/31/2015	Vertis, Inc.
15	vertistestdrive.com	Vertis, Inc. (5831991)	ns67.domaincontrol.com ns68.domaincontrol.com	12/31/2014	Vertis, Inc.
15	vertisusa.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	2/1/2013	Vertis, Inc.
15	vertiswhitepapers.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	10/18/2013	Vertis, Inc.
16	vertiswindowclings.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	9/16/2013	Vertis, Inc.
16	visionbanktdw.com	Vertis, Inc. (5831991)	dns249.d.register.com dns242.c.register.com dns030.a.register.com d ns179.b.register.com	6/5/2013	Vertis, Inc.
16	vodam.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/21/2013	Vertis, Inc.
16	vodam.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	3/4/2013	Vertis, Inc.
16	vosm.net	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	8/18/2014	Vertis, Inc.
16	webcraft.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	11/14/2013	Vertis, Inc.
16	zoom180.com	Vertis, Inc. (5831991)	ns3.vertisinc.com ns2.vertisinc.com ns1.vertisinc.com	1/17/2013	Vertis, Inc.

**Schedule 1.3**

**Assumed Benefit Plans**

1. None.

**Schedule 1.4**

**Other Assumed Liabilities**

1. None.

**Schedule 1.5**

**Non-Assumed Insurance Policies**

<u>Policy Number</u>	<u>Insurance Carrier</u>	<u>Rating (AM Best)</u>	<u>Limits (Occurrence/Aggregate)</u>
<b>CASUALTY</b>			
<b>General Liability</b>			
HDO G20561087	ACE American Insurance Company	A+ XV	\$2,000,000 Per Occurrence  \$10,000,000 Aggregate \$2,000,000 Per Employee/Aggregate EBL <small>*EBL limit separate from GL.</small>
<b>Automobile</b>			
ISA H07962496	ACE American Insurance Company	A+ XV	\$2,000,000 CSL
<b>Workers' Compensation</b>			
WLR C43118882	ACE American Insurance Company	A+ XV	\$1,000,000 Each Accident/Employee/Limit
<b>Workers' Compensation (WI)</b>			
SCF C43118900	ACE American Insurance Company	A+ XV	\$1,000,000 Each Accident/Employee/Limit
<b>Claims Administration Expenses</b>			
	ACE American Insurance Company	A+ XV	
<b>Paid Loss Deposit Fund - Collateral</b>			
	ACE American Insurance Company	A+ XV	
<b>General Liability - Canada</b>			
CGL 323395	ACE INA Insurance	A+ XV	\$2,000,000 Per Occurrence
<b>Automobile - Canada</b>			
CAC 425956	ACE INA Insurance	A+ XV	\$2,000,000 CSL



**Foreign Liability**

PHFD 37075310	<i>ACE American Insurance Company</i>	<i>A+ XV</i>	<i>GL \$1,000,000 Per Occurrence - BI/PD</i>
			<i>GL \$2,000,000 Aggregate - Products/Completed Operations</i>
			<i>GL \$1,000,000 Premises Damage limit - BI/PD</i>
			<i>GL \$1,000,000 Aggregate - PI/AI</i>
			<i>GL \$10,000 - Medical</i>
			<i>GL \$1,000,000 Per Claim/Aggregate - EBL</i>
			<i>AL \$1,000,000 CSL</i>
			<i>EL \$1,000,000 Per Accident/Employee/Limit</i>

**Umbrella Liability \$25MM x Primary**

QK03800619	<i>St. Paul Fire And Marine Insurance Co.</i>	<i>A+ XV</i>	<i>\$25,000,000</i>
------------	---	--------------	---------------------

**Excess Liability \$50MM x \$25MM**

SHX 00024153090	<i>Fireman's Fund Insurance Company</i>	<i>A XV</i>	<i>\$50,000,000</i>
-----------------	---	-------------	---------------------

**Excess Liability \$50MM x \$75MM**

EXCNY-106958-4	<i>Liberty Insurance Underwriters, Inc.</i>	<i>A- VII</i>	<i>\$50,000,000</i>
----------------	---	---------------	---------------------

**Pollution Legal Liability**

PPLG24894125001	<i>Illinois Union Insurance Company</i>	<i>A+ XV</i>	<i>\$5,000,000 Per Pollution Condition</i>
			<i>\$5,000,000 Aggregate</i>

**FINPRO****Employment Practices Liability**

01-257-83-20	<i>National Union Fire Ins. Co. of Pgh, PA</i>	<i>A XV</i>	<i>\$15,000,000</i>
			<i>Punitive Damages - No Sublimit/Full Limit</i>

**Fiduciary Liability**

01-257-83-20	<i>National Union Fire Ins. Co. of Pgh, PA</i>	<i>A XV</i>	<i>\$15,000,000</i>
			<i>\$50,000 Voluntary Compliance Loss Sublimit of Liability</i>
			<i>\$50,000 HIPAAA Penalties Sublimit of Liability</i>

**Fidelity Bond (Crime)**

8210-8841	Federal Insurance Company	A++ XV	\$10,000,000
-----------	---------------------------	--------	--------------

**Special Risk**

8210-8841	Federal Insurance Company	A++ XV	\$5,000,000
-----------	---------------------------	--------	-------------

**Errors & Omissions Liability**

EON G21671964 007	Illinois Union Insurance Company	A+ XV	\$20,000,000 Maximum Aggregate Limit of Liability \$20,000,000 Errors & Omissions Limit of Liability \$20,000,000 Media Activities Limit of Liability \$20,000,000 Network Operation Security Limit of Liability \$20,000,000 Privacy Limit of Liability \$1,000,000 Identity Theft Public Relations Expense Fund \$10,000,000 Cyber Extortion Limit of Liability \$1,000,000 Regulatory Actions Sublimit of Liability
-------------------	----------------------------------	-------	---

**Errors & Omissions Liability - Excess \$15MM x \$20MM**

01-309-58-86	National Union Fire Ins. Co. of Pgh, PA	A XV	\$15,000,000
--------------	---	------	--------------

**Games Errors & Omissions Liability**

001241000	Ironshore Specialty Insurance Company	A- XIII	\$5,000,000
-----------	---------------------------------------	---------	-------------

**Games Errors & Omissions Liability - Excess \$5MM x \$5MM**

EO5N881283003	Liberty Surplus Insurance Company	A XV	\$5,000,000
---------------	-----------------------------------	------	-------------

**Directors & Officers Liability - (New Co.) - Primary**

01-411-78-53	National Union Fire Ins. Co. of Pgh, PA	A XV	\$15,000,000 Punitive Damages - No Sublimit/Full Limit \$500,000 Side A Excess Sublimit of Liability \$150,000 Cost of Investigation Coverage Sublimit \$50,000 Crisis Management Fund for D&O
--------------	---	------	--

---

**Directors & Officers Liability - (New Co.) - Excess \$15MM x \$15MM**

---

14-MGU-11-A25595	<i>U.S. Specialty Insurance Company</i>	<i>A+ XIV</i>	<i>\$15,000,000</i>
			<i>excess of \$15,000,000</i>

---

**Directors & Officers Liability - (New Co.) - Excess \$10MM x \$30MM**

---

556-008512-4	<i>North River</i>	<i>A XV</i>	<i>\$10,000,000</i>
			<i>excess of \$30,000,000</i>

---

**Directors & Officers Liability - (New Co.) - Side A \$5MM x \$35MM**

---

G24567229001	<i>ACE American Insurance Company</i>	<i>A+ XV</i>	<i>\$5,000,000</i>
			<i>excess of \$40,000,000</i>

---

**Directors & Officers Liability - (New Co.) - Excess Side A \$5MM x 50MM**

---

18007170	<i>Berkley Insurance Company</i>	<i>A XV</i>	<i>\$5,000,000</i>
			<i>excess of \$45,000,000</i>

---

**Directors & Officers Liability- (New Co.) Excess Side A \$10MM X \$50MM** *\$10,000,000 XS \$50MM*

---

ELU124110-11	<i>X.L. Specialty Insurance Company</i>	<i>AXV</i>	
--------------	---	------------	--

---

---

**Directors & Officers Liability - (New Co.) - Excess Side A \$10MM x \$60MM**

---

ADX10003507600	<i>Endurance American Insurance Company</i>	<i>A XV</i>	<i>\$10,000,000</i>
			<i>Excess of \$60,000,000</i>
			<i>excess of \$60,000,000</i>

---

**Directors & Officers Liability - Primary (Old Co. RUNOFF)**

---

01-257-84-50	<i>National Union Fire Ins. Co. of Pgh, PA</i>	<i>A XV</i>	<i>\$25,000,000</i>
			<i>Punitive Damages - No Sublimit/Full Limit \$500,000 Side A Excess Sublimit of Liability \$150,000 Cost of Investigation Coverage Sublimit \$50,000 Crisis Management Fund for D&amp;O</i>

---

**Directors & Officers Liability - Excess \$15MM x \$25MM (Old Co. RUNOFF)**

---

14-MGU-10-A22521	<i>U.S. Specialty Insurance Company</i>	<i>A+ XIV</i>	<i>\$15,000,000</i>
------------------	---	---------------	---------------------

**Directors & Officers Liability - Side A \$10MM x \$40MM (Old Co. RUNOFF)**

G42568210002	<i>ACE American Insurance Company</i>	<i>A+ XV</i>	<i>\$10,000,000</i>
--------------	---	--------------	---------------------

**Directors & Officers Liability - Excess Side A \$10MM x \$50MM (Old Co. RUNOFF)**

ELU119117-10	<i>X.L. Specialty Insurance Company</i>	<i>A XV</i>	<i>\$10,000,000</i>
--------------	---	-------------	---------------------

**PROPERTY**

<b>NFIP Flood Policies</b>	4000256808	FEMA	N/A	<i>Covered Location: 8000 Ambassador Row Dallas, TX 77706 Building Limit: \$0 Contents Limit: \$500,000</i>
----------------------------	------------	------	-----	---

## **Schedule 1.6**

### **Retained Claims**

1. Any and all claims related to Case Nos. 11L0507, 11L1323, and 11L1366, styled Vertis, Inc. v. American Logistics Group Inc. d/b/a ALG Direct, Inc. in the Circuit Court of the Twelfth Judicial Circuit, Will County, Illinois.

**Schedule 1.7(a)**

**Non-Assumed Owned Property**

	<u>State</u>	<u>City</u>	<u>Location</u>	<u>Zip</u>
1.	Ontario	Stevensville	3565 Eagle Street	L0S 1S0
2.	OH	Medina	620 East Smith Road	44256
3.	NJ	Newark	80 Wheeler Point Road	07105
4.	PA	York	215 North Zarfross Drive	17405

**Schedule 1.7(b)**

**Non-Assumed Leased Property**

	<u>Address</u>	<u>Suite</u>	<u>City State Postal</u> <u>Code</u>	<u>Subtype</u>
1.	250 West Pratt Street	17, 18, 19	Baltimore, MD 21201	Office
2.	8000 Ambassador Row		Dallas, TX 75247	Manufacturing
3.	8120 Ambassador Row		Dallas, TX 75247	Warehouse

**Schedule 1.8**

**Excluded Assets**

1. None.



**Schedule 1.9**

**Excluded Liabilities**

1. None.

## Schedule 1.10

### Knowledge of Parent

1. Gerald Sokol, Jr.
2. Jeffrey Pritchett
3. Andrew Hede
4. David Glogoff
5. David Colatriano
6. Max Harris
7. Kathy Calta
8. Richard Constand
9. Ray Morris
10. Tammy Harper
11. Ted Gaillard (excluding direct reports)
12. Tim Hendricks (excluding direct reports)
13. David Nanney (excluding direct reports)

**Schedule 1.11**

**Permitted Liens**

1. None.

**Schedule 3(d)(iv)**

**Owned Real Property**

	<u>State</u>	<u>City</u>	<u>Location</u>	<u>Zip</u>
1.	Ontario	Stevensville	3565 Eagle Street	L0S 1S0
2.	CA	Riverside	7190 Jurupa Avenue (Riverside Division)	92504
3.	CA	Sacramento	1201 Shore Street (Sacramento Division)	95691
4.	GA	Atlanta	3271 Hamilton Boulevard	30354
5.	IA	Marengo	810 East South Street	52301
6.	KS	Lenexa	14720 West 99th Street	91740-5006
7.	MI	Greenville	1321 VanDeinse (Greenville Plant)	48838
8.	MN	Shakopee	5101 Valley Industrial Blvd. South	55379-1821
9.	NJ	Newark	80 Wheeler Point (Craig Adhesives Plant)	07105
10.	NY	Saugerties	1 Tomsons Rd (Saugerties Plant)	12477-5121
11.	OH	Medina	620 East Smith Road	44256
12.	PA	Bristol	181 Rittenhouse Circle (Bristol Plant)	19007
13.	PA	Chalfont	4371 County Line Rd (Chalfont Plant)	18914
14.	PA	York	215 North Zarfoss Drive	17405
15.	TX	Lufkin	3001 Atkinson Drive	75901

**Schedule 3(d)(v)**

**Leases**

	<u>Address</u>	<u>Suite</u>	<u>City State Postal Code</u>	<u>Subtype</u>	<u>Expiration</u>
1.	2867 Surveyor St.		Pomona, CA 91768-3251	Warehouse	06/30/2013
2.	1630 Terminal St.		West Sacramento, CA 95691-3815	Warehouse	10/31/2013
3.	3200 Pomona Boulevard	Bldg. A	Pomona, CA 91768-3251	Manufacturing	05/31/2014
4.	2004 McGaw Avenue		Irvine, CA 92614	Manufacturing	09/30/2013
5.	104 Caledonia Street	225	Sausalito, CA 94965	Office	12/31/2012
6.	3840 Rosin Court, Suite 120		Sacramento, CA 95834	Office	07/31/2015
7.	1781 Langley Avenue		Irvine, CA 92614	Warehouse	09/30/2013
8.	9004 Hyssop Drive, Building B		Rancho Cucamonga, CA 91730-6101	Warehouse	03/31/2013
9.	4775 Walnut Street	Suite D-1	Boulder, CO 80301	Office	04/30/2016
10.	7 & 12 Corporate Dr.		North Haven, CT 06473	Manufacturing	12/27/2012
11.	Dayton Park Condominium Association		North Haven, CT 06473	Warehouse	12/27/2012
12.	4646 South Grady		Tampa, FL 33611	Manufacturing	12/31/2015
13.	3900 W. Coachman Avenue		Tampa, Hillsborough, FL 33611	Warehouse	04/30/2014
14.	6371 Business Blvd.		Sarasota, FL 34240	Office	08/22/2012
15.	9755 Dogwood	3F Suite 340	Roswell, Fulton Cty., GA 30075	Office	12/31/2014
16.	1211 W. 22nd St.	Suite 508	Oak Brook, IL 60521	Office	05/31/2013
17.	1100 Thorndale Avenue		Elk Grove Village, IL 60007-6748	Manufacturing	08/31/2012 (holdover status)
18.	975 E. Nerge Road	Suite W-10 Room A	Roselle, IL 60172	Office	12/31/2012

	<u>Address</u>	<u>Suite</u>	<u>City State Postal Code</u>	<u>Subtype</u>	<u>Expiration</u>
19.	14900 West 99th Street		Lenexa, KS 66215-1113	Warehouse	10/31/2016
20.	250 West Pratt Street	17, 18, 19	Baltimore, MD 2121	Office	08/31.2014
21.	4221 Forbes Blvd.	111	Lanham, MD 20706 East Longmeadow, MA	Office	10/31/2016
22.	245 Benton Drive		01028	Manufacturing	02/02/2016
23.	43252 Woodward Avenue, Suite 220		Bloomfield Hills, MI 48302	Office	05/31/2013
24.	29200 Northwestern Highway	114	Southfield, MI 48034-1013 Minnetonka, MN	Office	11/08/2012
25.	10201 Wayzata Blvd.	Suite 335	55305-1550	Office	08/31/2013
26.	3553 Rider Trail South		Earth City, MO 63045	Studio	12/31/2012
27.	28 Engelhard Drive		Cranbury, NJ 08512	Manufacturing	11/30/2017
28.	Route 1 & Adam Station		North Brunswick, NJ 08902	Manufacturing	09/30/2017
29.	80 Stemmers Lane		Westampton, NJ 08060	Manufacturing	08/31/2015
30.	2225 Kenmore Avenue	Suite 114	Tonawanda, NY 14207-1359	Production Svc	10/31/2012
31.	40 W. 25th Street	12th Floor	New York, NY 10010 Clifton Park, NY	Office	MTM
32.	855 Route 146	150	12065	Office	05/31/2013
33.	36 W. 20th Street	Floor 3	New York, NY 10011	Office	
34.	10911 Granite St.		Charlotte, NC 28273-6316	Manufacturing	04/30/2013
35.	7930 West Kenton Circle	140	Huntersville, NC 28078	Office	06/30/2013
36.	2101 Westinghouse Blvd		Charlotte, NC 28273	Other	
37.	1001 Distribution Drive		Columbus, OH 43228	Warehouse	12/31/2014

	<u>Address</u>	<u>Suite</u>	<u>City State Postal Code</u>	<u>Subtype</u>	<u>Expiration</u>
38.	4051 Fondorf Drive		Columbus, Franklin County, OH 43228	Manufacturing	12/31/2014
39.	4625 Morse Rd.	Suite 201	Gahanna, OH 43230	Office	07/31/2014
40.	4225 Malsbary Road	210	Cincinnati, OH 45242	Office	09/30/2013
41.	8911 & 8933 NE Marx Drive		Portland, OR 97220	Warehouse	11/30/2012
42.	6031,6035,6221,6231,6241 NE 92nd Ave.	AP Building #2,3,4	Portland, OR 97220	Manufacturing	11/30/2012
43.	2901 Blackbridge Road		York, PA 17402	Manufacturing	05/31/2017
44.	93 Spring Run Rd. Ext.	Bldg. #5	Moon Twp, PA 15108	Studio	02/29/2016
45.	728 North Pleasantburg Drive	Second Floor	Greenville, SC 29607	Office	12/31/2012
46.	10665 King William Drive		Dallas, TX 75220	Warehouse	06/30/2013
47.	2000, 2010, 2020 Westridge Drive		Irving, TX 75038	Manufacturing	10/31/2012
48.	8120 Ambassador Row		Dallas, TX 75247	Warehouse	05/31/2013
49.	8000 Ambassador Row		Dallas, TX 75247	Manufacturing	09/30/2015
50.	415 - 419 S. Main		San Antonio, TX 78204	Studio	10/31/2012
51.	5385 Highway 103 East		Lufkin, TX 75915- 1607	Warehouse	10/31/2012
52.	4295 San Felipe Street	205	Houston, TX 77027	Studio	
53.	1090 South 3800 West	Building 3	Salt Lake City, UT 84104	Manufacturing	08/31/2014
54.	7619 Doane Drive		Manassas, VA 20109	Manufacturing	05/31/2014
55.	2000 Clarendon Blvd.	B1	Arlington, VA 22201	Office	04/30/2014
56.	200 Connecticut Drive		Burlington NJ 08016	Manufacturing	07/2/2017

### **Subleases**

	<u>Subtenant</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Subtype</u>	<u>Expiration</u>
1.	CBRE	250 W. Pratt, 17th Floor	Baltimore	MD	Office	08/31/2014
2.	Farago & Assoc.	29200 Northwestern Hwy, Suite 114	Southfield	MI	Office	11/09/2012
3.	Suncraft	10201 Wayzata Blvd.	Minnetonka	MN	Office	08/31/2012

### **Owned Facilities Leased by Vertis**

	<u>Tenant</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Subtype</u>	<u>Expiration</u>
1.	Royal Adhesives and Sealants, LLC	80 Wheeler Point	Newark	NJ	Manufacturing	5/31/2013



### **Schedule 3(e)**

#### **Litigation**

1. Ronald Piacquadio v. Vertis, Inc., in the United States District Court for the District of Maryland.
2. See Schedule 3(l)(ii)
3. See Schedule 3(m)(xii)

**Schedule 3(h)(i)**  
**Financial Statements**

1. See Attached.

## Schedule 3(j)

### Environmental Matters

#### 1. North Brunswick, NJ (Webcraft, LLC)

Webcraft is performing environmental investigatory activities at its North Brunswick, New Jersey location. These activities, which were originally being conducted under the direction of the NJDEP, are being conducted in compliance with ISRA.

Based on two consecutive rounds of sampling, the NJDEP agreed to terminate one of two pre-existing groundwater Classification Exception Areas (“CEA”) that had been established at the property.

As part of the ISRA compliance activities associated with the 2007 sale of the property, Webcraft established a remediation trust fund, with the NJDEP being the beneficiary, in the amount of \$123,805.

In Building 1, EWMA conducted borings through the floor in January 2009 to determine the extent of free product oil, and it appears from those borings that the oil is localized. EWMA is conducting product recovery activities. Previous groundwater sampling has revealed low levels of chlorinated solvents dissolved in groundwater. Monitoring wells, installed around the building, confirmed that the extent of the contamination has been horizontally and vertically delineated. Also, as a result of a NJDEP site inspection in November 2009, EWMA investigated leakage from an above ground hydraulic oil tank in the building, a floor trench, certain areas outside that are or were used for storage, and potential vapor intrusion issues.

Borings and monitoring wells were installed outside the Building & Grounds building, to assess the extent of the dissolved chlorinated solvent in the groundwater there. EWMA recommended continued sampling of the wells in order to monitor the groundwater. Also, as a result of the NJDEP site inspection, EWMA investigated potential vapor intrusion issues in the building and sealed the floor drains and sump, which has eliminated vapor intrusion. An investigation of potential off-site vapor intrusion has been required by the NJDEP. Sampling at one nearby residential property has revealed no vapor intrusion condition.

Pursuant to the SRRA, as of May 7, 2012 the NJDEP no longer oversees the investigatory and remedial activities being performed at the property, and this case was transitioned to a LSRP that was retained by Webcraft. Long term remediation strategy will be determined by the LSRP with input from 1980 US HWY 1, LLC, which is the site owner.

**2. Chalfont, PA North Penn Area 5 (near Webcraft, LLC's Chalfont, PA facility)**

An environmental investigation of the soil and groundwater on Webcraft's facility indicated that contaminants were generally not detected at the Webcraft facility or, when present, were found in insignificant trace concentrations. Based upon their findings, EPA verbally advised Webcraft that any liability on Webcraft's part for remediation would be unlikely. No documents have been received from the EPA since January 25, 1999 when Webcraft received the analytical data for EPA's sampling activity at the Chalfont facility.

**Schedule 3(k)(i)**

**Material Contracts**

**(A) any Contract (or group of related Contracts) for the lease of personal property to or from any Person**

1. Master Agreement (and related equipment orders) dated April 1, 2008 by and between Vertis, Inc. and Ricoh Americas Corporation, as amended.
2. Master Lease #704 (and related schedules) by and between Vertis, Inc. and LaSalle Systems Leasing, Inc. dated March 30, 2012.
3. Master Lease Agreement by and between Imaging Financial Services, Inc. d/b/a EKCC and Vertis, Inc. dated December 31, 2009

**(B) any Contract (or group of related Contracts) entered into outside of the Ordinary Course of Business for the purchase or sale of Inventory or other raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services**

1. None.

**(C) any Contract for the delivery of goods or services (other than employment-related Contracts) between Parent, on the one hand, and any director, officer, employee or Affiliate of Parent or any Person controlled by any director, officer, employee or Affiliate of Parent, on the other hand**

1. Subcontractor Services Agreement, by and between, Vertis, Inc. and 5 Digit Plus, LLC, dated July 1, 2012.

**(D) any Contract which prohibits or restricts any Seller from freely engaging in business (including the Business) anywhere in the world**

1. Protective Covenant Agreement, by and between Vertis, Inc. and Royal Adhesives and Sealants, LLC, dated November 30, 2011.
2. Protective Covenant Agreement, by and between Webcraft, LLC and Royal Adhesives and Sealants, LLC, dated November 30, 2011.
3. Protective Covenant Agreement, by and between Vertis Newark, LLC (f/k/a Webcraft Chemicals, LLC) and Royal Adhesives and Sealants, LLC, dated November 30, 2011.
4. Agreement Not to Compete, by and among Vertis Holdings, Inc., Vertis, Inc., Webcraft, LLC, and Vertis Fragrance SARL, dated September 5, 2006.

5. Asset Purchase Agreement, by and between The Whitefield Group, Inc. and Vertis, Inc. dated November 18, 2011.
6. Terms and Conditions for Purchase of Printed Goods and Related Services, by and between, Williams Lea, Inc. and Vertis, Inc., dated August 9, 2009, as amended (contacts provision prohibiting Vertis from soliciting customers of Williams Lea)

**(E) any collective bargaining agreement, or other Contract with any labor organization, union or association, applicable to the Business**

1. The Collective Bargaining Agreement between Webcraft, LLC for itself and on behalf of its subsidiary Vertis Newark, LLC (f/k/a Webcraft Chemical, Inc.) and UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED-INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO-CLC, DISTRICT 4 on behalf of its LOCAL 318 (USW), dated February 1, 2010 thru January 31, 2012 and extended by a Memorandum of Understanding dated January 31, 2012 between Webcraft, LLC, Vertis Newark, LLC and USW.
2. Collective Agreement by and between American Color Graphics, Inc. d/b/a/ ACG Canada and Communications, Energy & Paperworks Union of Canada and its Local 425-G Niagara Peninsula, dated January 1, 2005 and extended by a Memorandum of Settlement dated January 20, 2012.
3. Memorandum of Understanding, by and between Webcraft, LLC and Graphics Communications Conference, International Brotherhood of Teamsters, Local 16N dated June 11, 2011.

**(F) any Contract for the employment of any individual on a full-time, part-time, consulting, or other basis providing annual compensation (whether in base salary, commission or bonus) in excess of \$250,000**

1. Employment Agreement by and among, Vertis Holdings, Inc., Vertis, Inc. and Gerald Sokol Jr., dated May 1, 2011.
2. Retention Agreement by and between Vertis, Inc. and Gerald Sokol Jr., dated January 31, 2012.
3. Offer letter by and between Webcraft LLC (f/k/a Webcraft, Inc.) and David Glogoff, dated June 1, 2000
4. Key Employee Agreement by and between Vertis, Inc. and David Glogoff dated March 31, 2008.
5. Retention Agreement by and between Vertis, Inc. and David Glogoff dated January 31, 2012
6. Offer letter by and between Vertis, Inc. and Jeffrey Pritchett dated October 31, 2007.

7. Key Employee Agreement by and between Vertis, Inc. and Jeffrey Pritchett dated March 31, 2008.
8. Offer letter by and between Vertis, Inc. and Rich Constand dated September 14, 2011.
9. Offer letter by and between Vertis, Inc. and David Colatriano dated July 15, 2011.
10. Offer letter by and between Vertis, Inc. and Kathy Calta dated August 27, 2009.
11. Key Employee Agreement by and between Vertis, Inc. and Kathy Calta dated September 21, 2011.
12. Employment Agreement and between American Color Graphics, Inc. and Denis Longpre dated January 14, 2000.
13. Key Employee Agreement by and between American Color Graphics, Inc. and Denis Longpre dated January 14, 2000
14. Key Employee Agreement by and between American Color Graphics, Inc. and Michael Theis dated January 1, 2001.

**(G) Any guaranty or undertaking to be liable for the debts of others**

1. Subsidiary Guaranty dated as of December 20, 2010, by and between ACG Holdings, Inc., American Color Graphics, Inc., Webcraft, LLC, Vertis Newark, LLC (f/k/a Webcraft Chemicals, LLC), Morgan Stanley Senior Funding, Inc., and Morgan Stanley & Co., Incorporated.
2. Holdings Guaranty dated as of December 20, 2010, by and between Vertis Holdings, Inc., Morgan Stanley Senior Funding, Inc., and Morgan Stanley & Co., Incorporated.
3. Subsidiary Guaranty dated as of December 20, 2010, by and between ACG Holdings, Inc., American Color Graphics, Inc., Webcraft, LLC, Vertis Newark, LLC (f/k/a Webcraft Chemicals, LLC), and General Electric Capital Corporation.
4. Holdings Guaranty dated as of December 20, 2010, by and between Vertis Holdings, Inc. and General Electric Capital Corporation.
5. Joinder and Supplement to Credit Agreement, Subsidiary Guaranty, Pledge Agreement and Loan Documents dated as of March 2, 2012, between Mail Efficiency, LLC, Morgan Stanley Senior Funding, Inc., and Morgan Stanley & Co., Incorporated.
6. Joinder and Supplement to Credit Agreement, Subsidiary Guaranty, Pledge Agreement and Loan Documents dated as of March 2, 2012, between 5 Digit Plus, LLC, Morgan Stanley Senior Funding, Inc., and Morgan Stanley & Co., Incorporated.

**(H) any other Contract (or group of related Contracts) the performance of which, in the 12 months preceding the date hereof has resulted in, or in the 12 months following the date hereof would reasonably be expected to result in, consideration or payment in excess of \$500,000 per annum to or from any of the Sellers**

1. Customer Contracts

a. Inserts

- i. Printing & Ancillary Services Agreement by and between Kroger Co. and Vertis Inc. dated October 1, 2011, as amended.
- ii. Services Agreement by and between Menard, Inc. and Vertis, Inc. dated October 9, 2003, as amended.
- iii. Printing Services Agreement by and between Safeway, Inc. and Vertis, Inc. dated July 1, 1999, as amended.
- iv. Printing Services Agreement by and between Sears Holding Corporation and Vertis, Inc. dated June 1, 2006, as amended.
- v. Services Agreement by and between Macy's, Inc. and American Color Graphics, Inc. dated August 2, 2007, as amended.
- vi. Terms and Conditions for Purchase of Printed Goods and Related Services, by and between Williams Lea Inc. and Vertis, Inc. dated August 9, 2009, as amended.
- vii. Amended & Restated Printing Services Agreement by and between Best Buy Co. Inc. and Vertis, Inc. dated March 1, 2008, as amended.
- viii. Master Professional Services Agreement by and between Lowe's Co. and Vertis, Inc. dated February 1, 2008, as amended.
- ix. Printing Services Agreement by and between The Great A&P Tea Company and Vertis, Inc. dated April 28, 2008, as amended.
- x. Printing Services Agreement by and between Bon-Ton Department Stores and Vertis, Inc. dated January 1, 2007, as amended.
- xi. Printing Services Agreement by and between Publix, Inc. and Vertis, Inc. dated December 23, 2009.
- xii. Printing and Advertising Services Agreement by and between Big Lots, Inc. and Vertis, Inc. dated March 1, 2000, as amended.
- xiii. Services Agreement by and between the Hearst Corporation and Vertis, Inc. dated September 1, 2009
- xiv. Customer Standard Services Agreement by and between Winn Dixie Procurement, Inc. and Vertis, Inc. dated July 5, 2006, as amended.
- xv. Vertis Master Agreement by and between Tractor Supply Company and Vertis, Inc. dated January 1, 2011.



- xvi. Services Agreement by and between Jo Ann Stores, Inc. and Vertis, Inc. dated September 9, 2004, as amended.
- xvii. Print Services Agreement by and between Do It Best Corporation and Vertis, Inc. dated December 1, 2009, as amended.
- xviii. Printing Services Agreement by and between HEB Grocery Company, LP and Vertis, Inc. dated June 1, 2001, as amended.
- xix. Services Agreement by and between Nash Finch Company and Vertis, Inc. dated October 1, 2009, as amended.
- xx. Master Printing Services Agreement by and between Home Depot, Inc. and Vertis, Inc. dated February 1, 2006, as amended.
- xxi. Services Agreement by and between Ingles Markets, Inc. and Vertis, Inc. dated August 15, 2009, as amended.
- xxii. Print Services Agreement by and between Bashas, Inc. and Vertis, Inc. dated October 1, 2004, as amended.
- xxiii. Services Agreement by and between Big 5 Sporting Goods Corporation and Vertis, Inc. dated June 1, 2004, as amended.
- xxiv. Services Agreement by and between WS Badcock Corp and Vertis, Inc. dated December 14, 2007, as amended.
- xxv. Services Agreement by and between Shoe Carnival, Inc. and Vertis, Inc. dated December 29, 2004, as amended.
- xxvi. Vertis Master Agreement by and between Hancock Fabric, Inc. and Vertis, Inc. dated June 22, 2011.
- xxvii. Vertis Services Agreement by and between Slumberland, LLC and Vertis, Inc. dated November 1, 2007, as amended.
- xxviii. Printing Services Agreement by and between Associated Food Stores Inc. and Vertis, Inc. dated October 1, 1998, as amended.
- xxix. Printing Services Agreement by and between Orchard Supply Hardware, LLC and Vertis, Inc. dated July 1, 2008, as amended.
- xxx. Services Agreement by and between Sunflower Farmers Markets Inc. and Vertis, Inc. dated January 1, 2009, as amended.
- xxxi. Services Agreement by and between Dunham's Athleisure Corp. and Vertis, Inc. dated January 1, 2009, as amended.
- xxxii. Master Agreement by and between Save Mart Supermarkets and Vertis, Inc. dated September 16, 2011.
- xxxiii. Printing Services Agreement by and between PC Richard & Son and Vertis, Inc. dated January 1, 2008, as amended.
- xxxiv. Master Agreement by and between Family Dollar Stores Inc. and Vertis, Inc. dated March 1, 2012.

- xxxv. Master Agreement by and between Shopko Stores Operating Co., LLC and Vertis, Inc. dated August 1, 2012.
- xxxvi. Printing Services Agreement by and between Marsh Supermarkets, LLC and Vertis, Inc. dated April 1, 2007, as amended.
- xxxvii. Master Provider Agreement by and between PetSmart Inc. and Vertis, Inc. dated January 18, 2012.
- xxxviii. Services Agreement by and between CSC Holdings, Inc. and Vertis, Inc. dated November 17, 2007, as amended.
- xxxix. Services Agreement by and between Furniture Row, Inc. and Vertis, Inc. dated March 8, 2005, as amended.
  - xl. Services Agreement by and between Advertising Made Easy and Vertis, Inc. dated January 1, 2009.
  - xli. Services Agreement by and between Duckwall-Alco Stores Inc. and Vertis, Inc. dated May 29, 2008, as amended.
  - xlii. Master Services Agreement by and between Michigan Sporting Goods, Inc. and Vertis, Inc. dated December 1, 2011.
  - xliii. Terms and Conditions by and between Jets Pizza Advertising Fund Inc. and Vertis, Inc. dated January 31, 2012.
  - xliv. Master Agreement by and between ACO Hardware and Vertis, Inc. dated December 1, 2010.
  - xlv. Printing Agreement by and between Northern Tool & Equipment Catalog Co. and Vertis, Inc. dated October 1, 2007, as amended.
  - xlvi. Master Agreement by and between Beta II Marketing and Vertis, Inc. dated March 1, 2011, as amended.
  - xlvii. Services Agreement by and between BJ's Restaurants, Inc. and Vertis, Inc. dated May 1, 2009.
  - xlviii. Printing Services Agreement by and between CAL Stores Companies, Inc. and Vertis, Inc. dated February 12, 2004, as amended.
  - xliv. Printing Agreement by and between City of Roses Newspaper Company and Vertis, Inc. dated January 6, 2011, as amended.
    - 1. Master Agreement by and between Coborns, Inc. and Vertis, Inc. dated October 1, 2010.
    - li. Services Agreement by and between Easy Life Furniture, Inc. and Vertis, Inc. dated September 1, 2005, as amended.
    - lii. Services Agreement by and between Kane's Furniture Inc. and Vertis, Inc. dated August 1, 2007, as amended.
    - liii. Printing Services Agreement by and between Madden Preprint Media, LLC and Vertis, Inc. dated January 1, 2007, as amended.

- liv. Printing Agreement by and between Mclendon Hardware, Inc. and Vertis, Inc. (f/k/a Treasure Chest Advertising Company, Inc.) dated April 1, 1996, as amended.
- lv. Printing Services Agreement by and between Mi Pueblo and Vertis, Inc. dated May 6, 2009, as amended.
- lvi. Comics Printing Agreement by and between Daily News, L.P. and Vertis, Inc. dated January 1, 2012.
- lvii. Services Agreement by and between Namco, LLC and Vertis, Inc. dated October 1, 2008, as amended.
- lviii. Master Agreement by and between Block Communications, Inc. (Pittsburgh Post Gazette) and Vertis, Inc. dated February 1, 2011.
- lix. Printing Services Agreement by and between Murdoch's Ranch & Home Supply, LLC and Vertis, Inc. dated January 1, 2008.
- lx. Services Agreement by and between W. Lee Flowers & Company, Inc. and Vertis, Inc. dated January 1, 2010, as amended.
- lxi. Master Agreement by and between Westlake Hardware, Inc. and Vertis, Inc. dated January 1, 2012.

b. DM

- i. Business Associate Services Agreement by and between Mutual of Omaha and Vertis, Inc. dated January 1, 2005, as amended.
- ii. Master Print Services Agreement by and between American Express Travel Related Services Company, Inc. and Vertis, Inc. dated January 1, 2006, as amended.
- iii. Agreement by and between New York Life Insurance Company and Vertis, Inc., dated March 31, 2007, as amended.
- iv. Restated and Amended Master Services Agreement by and between Medco Health Solutions, Inc. and Vertis, Inc. dated July 1, 2009.
- v. Master Print Services Agreement by and between Humana, Inc. and Vertis, Inc. dated January 1, 2007, as amended.
- vi. General Services Agreement by and between Bank of America, N.A. and Vertis, Inc. dated April 1, 2010.
- vii. Production Services and Pricing Agreement, by and between OneMain Financial, Inc. and Webcraft, LLC (as successor-in-interest to USA Direct, LLC), dated October 21, 2005, as amended.
- viii. Services Agreement by and between Hartford Financial Services Group and Vertis, Inc. dated August 14, 2006, as amended.

- ix. Print Services Agreement by and between Charter Communications and Vertis, Inc. dated January 1, 2010.
- x. Data Protection Agreement by and between Dunhumby USA, LLC and Vertis, Inc. dated October 1, 2008.
- xi. Agreement for Supply of Goods by and between RJ Reynolds Tobacco Company and Vertis, Inc. dated April 1, 2010.
- xii. Master Procurement Agreement by and between JP Morgan Chase Bank, N.A. and Vertis, Inc. dated June 27, 2006.
- xiii. Master Vendor Agreement by and between Rust Consulting, Inc. and Vertis, Inc. dated November 29, 2010.
- xiv. Vertis Master Agreement by and between WP Company, LLC d/b/a The Washington Post, dated August 1, 2012
- xv. Vertis Master Agreement by and between the Learning Care Group, Inc. and Vertis, Inc., dated January 1, 2010
- xvi. Vertis Master Agreement by and between TBWA Worldwide Inc. and Vertis, Inc. dated May 1, 2009.
- xvii. Production Services Agreement by and between DFS Services, LLC and Vertis, Inc. dated August 28, 2006, as amended.
- xviii. Terms and Conditions for Purchase of Printed Goods and Related Services by and between Williams Lea, Inc. and Vertis, Inc. dated August 9, 2009.
- xix. General Terms and Conditions by and between Marsh and McLennan Companies, Inc. and Vertis, Inc. dated September 14, 2007.
- xx. Strategic Supplier Agreement by and between Leo Burnett Company, Inc. and Vertis, Inc. dated January 1, 2012
- xxi. Master Services Agreement by and between United HealthCare Services, Inc. and Vertis, Inc. dated May 1, 2012.
- xxii. Master Purchase Agreement by and between Adam Hussey & Associates, Inc. and Webcraft, LLC dated November 23, 2004, as amended.
- xxiii. General Terms, Conditions and Specifications Agreement by and between the US Government Printing Office and Vertis, Inc.
- xxiv. Services Agreement by and between Wellpoint Inc. and Vertis, Inc. dated January 1, 2009 (was terminated on January 1, 2012).
- xxv. Service Agreement Terms and Conditions by and between Office Depot, Inc. and Vertis, Inc. dated September 18, 2008.
- xxvi. Master Professional Services Agreement by and between Lowe's Co. and Vertis, Inc. dated February 1, 2008, as amended.

- xxvii. Services Agreement by and between Financial Insurance Management Corporation and Vertis, Inc. dated January 1, 2007, as amended.
  - xxviii. Master Services Agreement by and between Team Garage, LLC and Vertis, Inc. dated March 31, 2012.
- c. Large Format
- i. Master Agreement by and between Luxottica Retail North America, Inc. and Vertis, Inc. dated April 1, 2012.
2. Customer work performed by PO or online quotation
- a. Inserts
- i. Harbor Freight
  - ii. ID Media
  - iii. Party City Corporation
  - iv. Sprouts S. F.
  - v. Weaver Graphics
  - vi. Metroland Media Group LTD.
  - vii. Target Advertising
  - viii. Bodega Latina Corp
  - ix. Nebraska Furniture Inc.
  - x. RTG Furniture Corp
  - xi. Gordon Food Service
  - xii. Godish.com LTD.
  - xiii. Orschelin Farm and Home, LLC
  - xiv. Kinney Drugs c/o Pinckney Hugo Group LLC
  - xv. Retail Services & Systems
  - xvi. Adlife Advertising & Graphics, Inc.
  - xvii. Pep Boys
  - xviii. Modell's
  - xix. Shop Rite Supermarkets
  - xx. Hamrick's Inc.
  - xxi. Star Tribune Media Company
  - xxii. NSC Wholesale Holdings, LLC
  - xxiii. Los Angeles Times
  - xxiv. 1342205 Ontario Limited

- xxv. Williams Publications
- xxvi. Associated Grocers of Florida
- xxvii. Belk Store Service
- xxviii. Grocers Supply Company Inc.
- xxix. Bomgaars Supply, Inc.
- xxx. Specialty Retailers Inc.
- xxxi. Vallarta Food Enterprises
- xxxii. Deere & Company
- xxxiii. C&K Market Inc.
- xxxiv. The Toronto Star
- xxxv. W. R. Weitkemper
- xxxvi. Supervalu
- xxxvii. Mailsouth Inc.
- xxxviii. Ivie & Associates, Inc.
- xxxix. Meijer Inc.
  - xl. Innerworkings Inc.
  - xli. Cabelas Inc.
  - xlii. Ace Hardware Corporation
  - xliii. Wakefern Corporation
  - xliv. Gander Mountain LLC
  - xlv. Tribune Company (DIP)
  - xlvi. KBS+P Atlanta LLC
  - xlvii. Harte Hanks Inc.
  - xlviii. Interpublic Group of Companies
  - xlix. Dollar Tree Stores Inc.
    - l. Aaron's Inc.
    - li. Pamida Stores Operating Company
    - lii. Torstar Corporation
    - liii. Associated Wholesale Grocers, Inc.
    - liv. Aaron's Inc.
    - lv. Alliance Harsha Advertising, LLC
    - lvi. Allied Web Offset Printing
    - lvii. Bad Boy Furniture Warehouse Ltd.

- lviii. Bealls Department Stores, Inc.
- lix. Butler Carpet Company
- lx. Chinaberry, Inc.
- lxi. Cleveland Plain Dealer
- lxii. D&R Communications
- lxiii. Felizardo Burquez Photography
- lxiv. Graphic Communications
- lxv. Graphics III Advertising, Inc.
- lxvi. Harps Food Stores, Inc.
- lxvii. Lakes Marketing Group, Inc.
- lxviii. Macro Retailing, Inc.
- lxix. Media Planet Inc.
- lxx. Ollie's Bargain Outlet, Inc.
- lxxi. Orange County Register
- lxxii. Owen Pulver
- lxxiii. Print Management Group
- lxxiv. Reasor's LLC
- lxxv. Ritz Camera & Image, LLC
- lxxvi. RTG Furniture Corp.
- lxxvii. Seattle Times
- lxxviii. Sims Advertising
- lxxix. US Olympic Committee
- lxxx. Walztetrick Advertising, Inc.
- lxxxi. Floor & Décor Outlets of America, Inc.
- lxxxii. Running's Supply, Inc.

- b. DM
  - i. Ford Motor Company
  - ii. Chrysler, LLC
  - iii. Publishers Clearing House
  - iv. Ace Hardware Corporation
  - v. Macy's, Inc.
  - vi. A.B. Data Ltd

- vii. Creative Promotional Solutions
- viii. U.S. Olympic Committee
- ix. Suarez Corporation Industries
- x. Ivie & Associates, Inc.
- xi. AIMIA
- xii. RPM Direct, LLC
- xiii. The Production Advantage, Inc.
- xiv. Staples, Inc.
- xv. Help Hospitalized Veterans, Inc.
- xvi. United Directories, Inc.
- xvii. ICOM- Epsilon Targeting
- xviii. AAA
- xix. National Geographic, Society
- xx. Lorillard Tobacco Company
- xxi. Merkle, Inc.
- xxii. Citigroup
- xxiii. American Institute for Cancer Research
- xxiv. Bridgetree Marketing
- xxv. United Directories Inc.
- xxvi. Caesars Entertainment
- xxvii. Sterling Jewelers, Inc.
- xxviii. Direct Partners
- xxix. Mandatory Poster Agency, Inc.
- xxx. NRTW Committee
- xxxi. Plymouth Rock Assurance
- xxxii. RHA Marketing, LLC
- xxxiii. Richmond Times Dispatch
- xxxiv. RK Graphics, Inc.
- xxxv. Smith Edwards Dunlop Co.
- xxxvi. Stephens Direct

### 3. Real Estate Leases



- a. 250 West Pratt Street, Baltimore, MD
- b. 245 Benton Drive, East Longmeadow, MA
- c. 6031,6035,6221,6231,6241 NE 92nd Ave, Portland, OR
- d. 80 Stemmers Lane, Westhampton, NJ
- e. Route 1 & Adams Station, Bldg. 1, North Brunswick, NJ
- f. 2901 Blackridge Road, York, PA
- g. 28 Engelhard Drive, Cranbury, NJ
- h. 3200 Pomona Boulevard, Pomona, CA
- i. 4646 South Grady, Tampa, Florida
- j. 4051 Fondorf Drive, Columbus, OH
- k. 1090 South 3800 West, Salt Lake City, UT
- l. 7619 Doane Drive, Manassas, VA
- m. 1630 Terminal St., West Sacramento, CA
- n. 1100 Thorndale Ave., Elk Grove Village, IL

#### 4. Supply Agreements

- a. Contracts
  - i. National Purchase Agreement by and between Vertis, Inc. and Eastman Kodak Company dated July 20, 2006, as amended.
  - ii. Paper Supply Agreement by and between Vertis, Inc., American Color Graphics, Inc. and Resolute FP US Inc. (f/k/a AbiBow US Inc.) dated October 24, 1997, as amended.
  - iii. Restated Ink Supply Agreement by and between American Color Graphics, Inc., Vertis, Inc. and Sun Chemical Corporation, dated December 8, 1997, as amended.
  - iv. Ink Supply Agreement by and between Flint Group North America Corporation and Vertis, Inc. dated June 1, 2007, as amended.
  - v. Corporate Services Commercial Account Agreement by and between American Express Travel Related Services Company, Inc. and Vertis, Inc. dated January 29, 2010, as amended.
  - vi. United States Business Travel Services Agreement by and between Vertis, Inc. and American Express Travel Related Services Company, Inc. dated March 1, 2007
  - vii. Plate Supply and Purchase Agreement dated October 5, 2009, by and between E.I. du Pont Nemours and Company and Vertis, Inc., as amended.

- viii. Contract #4469-A between FedEx Freight, Inc. and Vertis, Inc.
- ix. Agreement between Vertis, Inc. and United Parcel Service, Inc. effective January 1, 2012.
- x. Master Purchasing Agreement effective May 1, 2010, by and between Vertis, Inc. and Staples Advantage, as amended.
- xi. Sales Agreement by and between Xeikon America, Inc. and Vertis, Inc. dated May 17, 2011.
- xii. Sales Agreement by and between Xeikon America, Inc. and Vertis, Inc. dated January 25, 2012.
- xiii. Transportation Division Carrier Agreement by and between Vertis, Inc. and Fairrington Transportation Corporation, dated March 8, 2007, as amended.
- xiv. Energy Sales Agreement by and between Vertis, Inc. and Suez Energy Resources, NA Inc. dated April 1, 2005.
- xv. Master Services Agreement by and between Vertis, Inc. and Profitline, Inc. dated September 17, 2009, as amended.
- xvi. Envelope Supply Agreement by and between National Envelope Corporation and Vertis, Inc. dated August 1, 2009, as amended.
- xvii. Products Supply Agreement by and between Vertis, Inc. and Royal Adhesives and Sealants, LLC dated November 30, 2011.
- xviii. Alliance Agreement by and between Vertis, Inc. and Advanced Graphics Printing Inc. dated November 9, 2005.
- xix. Procurement Agreement by and between Vertis, Inc. and Applied Industrial Technologies, Inc. dated January 1, 2009.
- xx. Transportation Division Carrier Contract by and between Vertis, Inc. and Con-Way Transportation Services, Inc. dated February 20, 2002.
- xxi. Broker-Shipper Contract with Accurate Express dated January 23, 2012.
- xxii. Transportation Division Carrier Contract by and between Vertis, Inc. and USF Reddaway, Inc. dated February 8, 2002.
- xxiii. Transportation Division Carrier Contract by and between Vertis, Inc. and Pitt Ohio Express dated May 27, 2003.
- xxiv. Product Purchase Agreement by and between CDW Direct, LLC and Vertis, Inc. dated January 1, 2008.
- xxv. Carrier Agreement with Blue Water Consolidators Inc. dated April 4, 2007
- xxvi. Legal Engagement Agreement with Husch Blackwell.

- xxvii. Engagement Agreement with Deloitte & Touche, LLP.
- xxviii. Carrier Contract with Greenway Carriers LLC dated October 13, 2010
- xxix. Agreement by and between Marsh USA Inc. and Vertis Holdings, Inc. dated August 20, 2009.
- xxx. Carrier Agreement with Vitran Express dated October 29, 2007.
- xxxi. Corporate Service Agreement by and between Vertis, Inc. and certain subsidiaries of Enterprise Holdings, Inc.
- xxxii. Carrier Contract with SAIA Motor Freight Line, Inc. dated March 5, 2001.
- xxxiii. Broker-Shipper Agreement with Third Party Logistics, Inc. dated September 12, 2007.
- xxxiv. Master Maintenance Agreement with Eastern Lift Truck Company, Inc.
- xxxv. Broker-Shipper Agreement by and between Mystic Logistics, Inc. and Vertis, Inc. dated April 17, 2012.
- xxxvi. Master Electricity Supply Agreement by and between Constellation NewEnergy, Inc. and Vertis, Inc.
- xxxvii. Consortium Member Services Agreement by and between Fastenal Company and Vertis, Inc. dated July 1, 2009.
- xxxviii. Direct User Lab Products Agreement by and between Vertis, Inc. and Fujifilm North America Corporation dated April 1, 2010.
- xxxix. Preferred Supplier Agreement by and between RotaDyne Corporation and Vertis, Inc. dated May 1, 2008, as amended.
  - xl. National Account Service Agreement by and between G&K Services, Inc. and Vertis, Inc. dated March 1, 2009, as amended.
  - xli. American Airlines Travel Agreement by and between American Airlines, Inc. and Vertis, Inc. dated July 17, 2007, as amended.
  - xlii. Consortium Member Services Agreement by and between Choctaw-Kaul Distribution Company and Vertis, Inc. dated August 1, 2009.
  - xliii. Vendor Agreement by and between Roller Service Corporation and Vertis, Inc. dated May 1, 2008, as amended.
  - xliv. Contract for Sale and Purchase of Natural Gas by and between Sprague Energy Corp. and Vertis, Inc. July 15, 2009.
  - xlv. Vehicle Lease Service Agreement by and between Penske Truck Leasing Co., L.P. and Vertis, Inc. (f/k/a Treasure Chest Advertising Company, Inc.) dated April 27, 1998, as amended.

- xlvi. Transportation Contract by and between W&M Hildenbrand and Vertis, Inc. dated April 5, 2007, as amended.
- xlvii. Lease Agreement by and between Vertis, Inc. and 1980 US HWY 1 LLC, dated September 28, 2007.
- xlviii. Legal Engagement by and between Vertis, Inc. and Miles Stockbridge
- xliv. Legal Engagement by and between Vertis, Inc. and Sherman and Howard
  - i. Agreement by and between Vertis, Inc. and OCE North America dated March 23, 2011
  - ii. Oracle License and Services Agreement dated November 4, 2011.
  - iii. Lease Agreement with Eisner Manassas, LLC
  - liii. Lease Agreement with Bersam Development Co.
  - liv. Lease Agreement with Elk Grove Village Industrial Park, Ltd.
  - lv. Carrier Contract by and between JMS Transportation and Vertis, Inc. dated February 24, 2009.
  - lvi. Broker-Shipper Contract by and between Trinity Transport Incorporated and Vertis, Inc. dated January 28, 2009.
  - lvii. Temporary Employment Services Agreement by and between Vertis, Inc. and Monroe Staffing Services dated April 13, 2009.
  - lviii. Broker-Shipper Contract by and between C.H. Robinson Worldwide, Inc. and Vertis, Inc. dated April 30, 2010.
  - lix. Carrier Agreement by and between Network Logistics and Vertis, Inc. dated April 13, 2007.
  - lx. Insurance policy with Ace USA
  - lxi. Insurance policy with Aetna
  - lxii. Independent Contractor Agreement by and between World Graphic Services and Vertis, Inc. dated January 9, 2012.
  - lxiii. Insurance policy with Prudential
  - lxiv. Broker Agreement by and between Vertis, Inc. and Aspira Marketing Direct, LLC dated September 1, 2009.
  - lxv. Lease Agreement by and between Vertis, Inc. and The Horowitz Group, as amended.
  - lxvi. Lease Agreement by and between Vertis, Inc. and Amir Development Company, as amended.
  - lxvii. Lease Agreement by and between Vertis, Inc. and Direct Real Estate, LLC, as amended.

- lxviii. Lease Agreement by and between Vertis, Inc. and FPG Stig Holdings, LLC, as amended.
- lxix. Lease Agreement by and between Vertis, Inc. and PPF Industrial 28 Engelhard, LLC, as amended.
- lxx. Carrier Contract by and between Vertis, Inc. and Backhaul Direct, LLC dated June 10, 2009.
- lxxi. Carrier Contract by and between Vertis, Inc. and EIS Group, Inc. d/b/a Distribution Services dated July 19, 2006.
- lxxii. Carrier Contract by and between Vertis, Inc. and FM Trucking dated March 24, 2003.
- lxxiii. Carrier Contract by and between Vertis, Inc. and Magazine Distributors dated March 30, 2009.
- lxxiv. Lease Agreement with the Dolan Group VII LLC
- lxxv. Lease Agreement with Realty Associates Iowa Corp.

b. Purchase Orders or online quotations

- i. Lindenmeyr
- ii. Newpage Corporation
- iii. Tembec Inc.
- iv. Catalyst Paper
- v. Norpac Paper Co.
- vi. Xpedex
- vii. Evergreen Packaging Inc.
- viii. Fedex Freight Systems, Inc.
- ix. Gould Paper Corporation
- x. Central National Gottesman
- xi. White Birch Paper Co.
- xii. Irving Paper Inc.
- xiii. Domtar Paper Company LLC
- xiv. Futuremark Paper Group
- xv. S P Newsprint Co.
- xvi. Kempf Paper Co.
- xvii. Kruger Inc.
- xviii. Boise White Paper LLC
- xix. Verso Paper

- xx. Simon Miller Sales Co.
- xxi. Perfect Pallets Inc.
- xxii. ER Smith Associates Inc.
- xxiii. Manistique Paper Inc.
- xxiv. St. Mary's Paper Inc.
- xxv. International Paper
- xxvi. Hammons Paper Group Inc.
- xxvii. American Eagle Paper Mills
- xxviii. Goss International
- xxix. Megtec Systems, Inc.
- xxx. Xpedx Seaman Patrick Group
- xxxi. Horizon Paper Co. Inc.
- xxxii. Norkol Inc.
- xxxiii. Ariva
- xxxiv. Donohue Forest Products Inc.
- xxxv. Tampa Electric Co.
- xxxvi. Stora North America Corp.
- xxxvii. Southern California Edison
- xxxviii. ITT Portland Port Airport Park, LLC
- xxxix. McGrann Paper Corp.
  - xl. Roosevelt Paper Co.
  - xli. Consumers Energy
  - xlii. Kansas City Power & Light
  - xliii. Shakopee Public Utility Comm.
  - xliv. Wells Fargo
  - xlv. Best Packing Services
  - xlvi. PECO
  - xlvii. AFCO
  - xlviii. BP Energy Company
  - xlx. Behringer Harvard TIC Management
    - 1. Ariva Print Communications Solutions
    - li. PPL EnergyPlus, LLC
    - lii. Northern Virginia Electric

- liii. Canfield Funding, LLC
- liv. UPM Kemmyne
- lv. United Envelope Company, LLC
- lvi. RR Donnelly Receivables Inc.
- lvii. Express Services Inc.
- lviii. Alliant Energy
- lix. American Electric Power
- lx. Ferrell Gas
- lxi. Collins Ink Corp.
- lxii. Pitney Bowes
- lxiii. OCE USA Inc.
- lxiv. Duke Power
- lxv. Pro Active Recycling Inc.
- lxvi. Servicemaster Clean
- lxvii. General Newsprint
- lxviii. Conedison Solutions
- lxix. Inx International Ink Co.
- lxx. Blue Heron Paper Co.
- lxxi. Pacific Power
- lxxii. Victory Packaging
- lxxiii. Pacific Gas & Electric
- lxxiv. Papernet Inc.
- lxxv. CGS Publishing Technologies International LLC
- lxxvi. Acme Corrugated Box Co. Inc.
- lxxvii. Pallet Express Inc.
- lxxviii. McMaster Carr Supply Co.
- lxxix. Atlantic Packaging Products
- lxxx. Massachusetts Electric Co.
- lxxxii. Grainger
- lxxxiii. RIMA Enterprises, Inc.
- lxxxiv. Dupli Envelope & Graphic Corp
- lxxxv. Harold Pitman Co.

- lxxxvi. Central Hudson Gas & Electric
- lxxxvii. Ohio Edison
- lxxxviii. Manpower of Hastings
- lxxxix. Team 10, LLC
  - xc. Kansas City Bindery & Mailing
  - xc. MBO America
  - xcii. Perficient Inc.
  - xciii. Finders Group LLC
  - xciv. Aerotek Inc.
  - xcv. Diamond Staffing
  - xcvi. Portfolio Re Mezzanine LLC
  - xcvii. Reliable Mail Service, Inc.
  - xcviii. Fossil Graphics, Inc.
  - xcix. PSE&G Co.
    - c. IGM Resins
    - ci. Bulkley Dunton
    - cii. Buckeye Diamond Logistics
    - ciii. Systems Integration Inc.
    - civ. US Trustee Payment Center
    - cv. Structural Graphics
    - cvi. Delta Management Group
    - cvii. BP Canada Marketing Group
    - cviii. Fleming Enterprises, Inc.

## 5. Finance Agreements

- a. Senior Secured Credit Agreement dated as of December 20, 2010, by and among Vertis, Inc., the Credit Parties thereto and General Electric Capital Corporation, as amended.
- b. Term Loan Credit Agreement dated as of December 20, 2010, by and among Vertis, Inc., Vertis Holdings, Inc., the Lender thereto, the Guarantors thereto, Morgan Stanley Senior Funding, Inc. and Morgan Stanley & Co., Inc., as amended.



**(I) any Contract relating to ownership of or investments in any other Person (including investments in joint ventures and minority equity investments but excluding accounts receivable or other forms of trade credit)**

1. Second Amended and Restated Operating Agreement of 5 Digit Plus, LLC dated March 23, 2012.
2. Agreement and Plan of Merger by and among Vertis Holdings, Inc., Vertis, Inc., Victory Merger Sub, LLC and ACG Holdings, Inc.
3. Amended and Restated Operating Agreement of Webcraft, LLC dated December 17, 2010.
4. Amended and Restated Operating Agreement of Vertis Newark, LLC (f/k/a Webcraft Chemicals, LLC) dated December 17, 2010, as amended.
5. Amended and Restated Operating Agreement of Mail Efficiency, LLC dated March 23, 2011.

**(J) all Contracts relating to Intellectual Property Licenses of any Seller which would reasonably be expected to result in, consideration or payment in excess of \$500,000 per annum to or by any of the Sellers**

1. Agreement by and between The Kroger Co. and Vertis, Inc. for the use of AdPro.
2. Software License Agreement by and between Vertis, Inc. and Caterpillar Inc. dated March 26, 2004, as amended.

**(K) each asset purchase agreement, stock purchase agreement or other Contract entered into since January 1, 2011 governing the acquisition or disposition of assets or other property where the consideration paid or received for such assets or other property exceeded \$1,000,000 (whether in cash, stock or otherwise)**

1. Second Amended and Restated Operating Agreement of 5 Digit Plus, LLC dated March 23, 2012.
2. Purchase and Sale Agreement, by and between Vertis, Inc. and Royal Adhesives and Sealants, LLC, dated October 18, 2011, as amended and including all related documents.
3. Asset Purchase Agreement, by and between The Whitefield Group, Inc. and Vertis, Inc. dated November 18, 2011.
4. Agreement and Bill of Sale, by and between Vertis, Inc. and Southern Graphics Systems, Inc., dated November 18, 2012
5. Standard Offer, Agreement and Escrow Instructions for Purchase of Real Estate by and between Ken and Rhonda Ramage and Vertis, Inc. dated September 30, 2010, for real property located at 511 West Citrus Edge Street, Glendora, CA

6. Purchase and Sale Agreement dated February 21, 2011 by and between Vertis, Inc. and Janice Margaret Warrilow and Leonard John Warrilow for real property located at 6111 Woodlake Center, San Antonio, TX 78244.

**(L) each joint venture agreement, investment agreement, operating agreement or other Contract governing a material joint venture or investment of the Vertis Business(other than the organizational documents of any Seller)**

1. Second Amended and Restated Operating Agreement of 5 Digit Plus, LLC dated March 23, 2012.
2. Agreement and Plan of Merger by and among Vertis Holdings, Inc., Vertis, Inc., Victory Merger Sub, LLC and ACG Holdings, Inc.
3. Amended and Restated Operating Agreement of Webcraft, LLC dated December 17, 2010.
4. Amended and Restated Operating Agreement of Vertis Newark, LLC (f/k/a Webcraft Chemicals, LLC) dated December 17, 2010, as amended.

**(M) Any Contract or consent decree with or from any Governmental Entity:**

1. Customer Agreements
  - a. Inserts
    - i. Quotation Request between the City of Bloomington, Minnesota and American Color Graphics, Inc. dated December 19, 2008.
    - ii. Letter of Agreement by and between the City of Cedar Rapids Parks and Recreation Department and American Color Graphics, Inc. dated May 30, 2006.
    - iii. Request for Proposal between the City of Coon Rapids, Minnesota and American Color Graphics, Inc. dated February 5, 2010.
    - iv. Professional/Technical Services Contract by and between the State of Minnesota and Vertis, Inc. dated May 16, 2012 (Anoka Technical College)
    - v. Professional/Technical Services Contract by and between the State of Minnesota and Vertis, Inc. dated September 27, 2012 (Anoka Technical College)
    - vi. Professional/Technical Services Contract by and between the State of Minnesota and Vertis, Inc. dated September 27, 2012 (Anoka-Ramsey Community College)

- vii. Professional/Technical Services Contract by and between the State of Minnesota and Vertis, Inc. dated July 25, 2012 (Minneapolis Community and Technical College).
    - viii. Minnesota Office of Higher Education
  - b. DM
    - i. General Terms, Conditions and Specifications Agreement by and between the US Government Printing Office and Vertis, Inc.
  - c. Large Format
    - i. Arizona Highways
- 2. Purchase Orders or Online Quotes
  - a. Inserts
    - i. City of Brooklyn Park
    - ii. City of Faribault
    - iii. City of Minneapolis
    - iv. Columbia Heights Public Schools
    - v. Independent School District 283, St. Louis Park, MN
    - vi. Independent School District 192, Farmington, MN
    - vii. Independent School District 196, Rosemount, MN
    - viii. Independent School District 271, Bloomington, MN
    - ix. Independent School District 270, Minnetonka, MN
    - x. Independent School District 14, Fridley, MN
    - xi. Independent School District 191, Burnsville, MN
    - xii. Independent School District 194, Lakeville, MN
    - xiii. Independent School District 624, White Bear Lake, MN
    - xiv. Minnesota State Agricultural Society
    - xv. Minnesota State Colleges & Universities – Metropolitan
    - xvi. Pennsylvania State University
    - xvii. Special School District 1, Minneapolis, MN
    - xviii. St. Paul Schools, Saint Paul, MN
    - xix. State of New York
    - xx. Tri-cities/SW Virginia Group, Bristol, VA
    - xxi. University of Minnesota

- xxii. University of Missouri
- xxiii. United States Government Printing Office

- b. DM
  - i. Akron Public Schools
  - ii. Pennsylvania State University

- 3. Ordinary course of business regulatory permits issued by Federal, State and local governmental authorities.

**(N) all other Contracts which are material to the Business or which are required for the continued operation of the Business in the Ordinary Course of Business**

- 1. The following Letters of Credit:

	<u>LOC #</u>	<u>Issuer</u>	<u>Applicant</u>	<u>Vendor</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Term Date</u>
1.	3100880	BOA	Vertis, Inc	Ace American Insurance Company and Affiliates	\$11,085,912.00	10/16/2009	11/22/2012
2.	3100877	BOA	Vertis, Inc	TAMPA ELECTRIC COMPANY	\$179,500.00	2/17/2005	11/22/2012
3.	3100876	BOA	Webcraft LLC	NJ Department of Environmental Protection	\$301,812.00	11/3/2009	11/22/2013
4.	3100878	BOA	Webcraft LLC, on behalf of Webcraft Technologies, Inc.	RELIANCE INSURANCE COMPANY	\$25,000.00	10/21/2009	11/22/2012
5.	3100913	BOA	Vertis, Inc.	TECO Peoples Gas Lumbermans	\$18,500.00	10/17/2009	9/26/2013
6.	3100875	BOA	Treasure Chest Advertising, dba Vertis, Inc.	Mutual Casualty Company	\$146,000.00	10/16/2009	11/22/2012
7.	3100916	BOA	Vertis, Inc.	Pantheon Properties, LLC ( N.Brunswick Lease back)	\$277,294.00	10/16/2009	11/21/2012
8.	3100915	BOA	Vertis, Inc.	Pantheon Properties, LLC ( N.Brunswick Lease back)	\$230,080.00	10/16/2009	11/21/2012
9.	3101776	BOA	Vertis, Inc.	IBM Credit, LLC	\$31,320.00	1/19/2010	1/19/2013
10.	3057782	BOA	ACG, Inc.	Travelers Insurance	\$1,420,000.00	7/30/2003	7/30/2013
11.	3099836	BOA	ACG, Inc.	Hanover Insurance Company	\$50,000.00	6/8/2009	6/4/2013
12.	68056618	BOA	Vertis, Inc.	Pacific Gas and Electric Company	\$178,215.00	2/8/2011	2/8/2013

13.	68061136	BOA	Vertis, Inc.	American Express Travel Related Services Co., Inc.	\$4,000,000.00	8/18/2011	8/18/2013
14.	SE447191W	GE	Vertis, Inc.	Township of New Britain (Chalfont)	\$150,568.38	3/22/2007	3/20/2013
Total					<u>\$18,094,201.38</u>		

BOA	\$17,943,633.00
GE Issued	<u>\$150,568.38</u>
	<u>\$18,094,201.38</u>

**Vertis As Beneficiary Designee**

	<u>LOC #</u>	<u>Issuer</u>	<u>Applicant</u>	<u>Vendor</u>	<u>Amount</u>	<u>Issue Date</u>	<u>Term Date</u>
1.	50009017	Peoplesbank	Richard M. Osbourne	USA Direct, LLC	\$750,000.00	3/30/2009	6/8/2013

## **Schedule 3(l)**

### **Intellectual Property**

#### **With respect to Section 3(l)(ii):**

1. Vertis Holdings, Inc. is currently a named defendant in a patent infringement lawsuit in the Central District of California, Case No., SACV12-01090 DOC(MLGx), Secured Mail Solutions v. Advanced Image Direct, LLC, Vertis Holding and Envelopes Unlimited, Inc.
2. In addition, Vertis has received (but refused) an indemnity tender from Bon-Ton Department Stores, Inc., based on mobile messaging services Vertis provided.

**Schedule 3(m)(iii)**

**Material Employee Benefit Plan**

<b>Plan</b>	<b>Entities Covered</b>
<u>Qualified Pension Plans not subject to Title IV</u>	
<i>Vertis 401(k) Plan</i>	All domestic entities other than 5 Digit Plus, LLC
<i>Webcraft, LLC Employees Accumulated Savings Trust</i>	Sponsored by Vertis, but covers all union employees, which currently only applies to Webcraft
<u>Qualified Pension Plans subject to Title IV</u>	
<i>Dunkirk Printing Pressmen and Assistants Local Union #191 Pension Plan</i>	American Color Graphics, Inc.
<i>Vertis Consolidated Pension Plan</i>	All domestic entities other than 5 Digit Plus, LLC
<u>ERISA Welfare Benefit Plan</u>	
<i>Vertis Health and Welfare Plan (includes Med/Den/Vision/EAP/Life and Disability, FSAs)</i>	All domestic entities other than 5 Digit Plus, LLC
<u>Non-Qualified Pension Plans</u>	
<i>Supplemental Executive Retirement Plan (SERP)</i>	All domestic entities other than 5 Digit Plus, LLC
<i>Deferred Compensation Plan</i>	All domestic entities other than 5 Digit Plus, LLC
<u>Foreign Pension Plans</u>	
<i>Non contributory Defined Benefit Plan-Non Unionized employees (Canadian)</i>	American Color Graphics, Inc.
<i>Contributory Defined Contribution Plan-Unionized Employees (Canadian)</i>	American Color Graphics, Inc.
<i>Group Registered Retirement Savings Plan (Group RRSP) eligible for all employees (Canadian)</i>	American Color Graphics, Inc.

**Section 3(m)(v):**

Vertis did contribute to the GCIU Supplemental Retirement and Disability Fund, a multiemployer defined benefit pension plan. Vertis withdrew from the GCIU plan in 2005 and was assessed \$401,000 of withdrawal liability, which was paid in full by Vertis.

**With respect to Sections 3(m)(ix), (xii) and (xiii) the following disclosure is provided notwithstanding the fact that, as of the Agreement Date, the referenced Employee Benefit Plans are not Assumed Benefit Plans:**

**Section 3(m)(ix):**

The following four plans subject to Title IV merged effective December 31, 2010 to become the Vertis Consolidated Pension Plan: the Webcraft Retirement Income Plan and the Webcraft Service Related Pension Plan (“Webcraft Plans”), and the ACG Pension Plan for Salaried and Southwest Hourly Employees and the ACG Pension Plan for Hourly Employees (“ACG Plans”). Prior to the merger, employees of Seller participated in the two Webcraft Plans.

The 2010 minimum funding contributions due September 15, 2011 were determined separately for each of the two Webcraft Plans and for each of the two ACG Plans. The 2010 minimum funding contributions were made for the Webcraft Plans, but not for the ACG Plans. The 2010 unpaid minimum funding contribution for the ACG Plans totaled \$1,492,636. As a result, the Vertis Consolidated Pension Plan had unpaid minimum funding contributions and an accumulated funding deficiency equal to \$1,492,636.

On September 15, 2011, Vertis filed Form 5330’s for the funding deficiencies for the ACG Plans. Vertis made the required contribution payment and all required excise tax payments. However, a lien against certain of the Seller and/or their affiliates in the amount of the unpaid contributions to the ACG Plans was provided for by Code Section 403(k), which remained until the end of the plan year (December 31, 2011).

**Section 3(m)(xii):**

On August 17, 2012, Vertis, Inc. and the Vertis Health and Welfare Plan were served with a 220 page Complaint by Pomona Valley Hospital, alleging primarily underpayment of charges for services rendered by the Hospital to participants in the Plan. Vertis and the Plan were among several dozen defendants, all of whom were the subject of similar allegations.

**Section 3(m)(xiii):**

Historically, Vertis has occasionally promised continued Medical and Prescription Drug Plan health insurance coverage (and other employee benefits) to various employees as part of termination packages.



**Section 3(m)(xiv):**

Consummation of the transactions contemplated by the Agreement could result in severance payments to certain Covered Employees under the severance guidelines of the Parent or collective bargaining agreements between Parent (or its affiliates) and a labor union representing certain Covered Employees.

In the event the consummation of the transactions contemplated by the Agreement result in a “partial termination” of the Vertis 401(k) Plan, each participant affected by such partial termination would be entitled to full vesting of their account in such plan.

## Schedule 3(m)(vi)

### Labor Matters

#### A. Collective Bargaining Agreements

1. The Collective Bargaining Agreement between Webcraft, LLC for itself and on behalf of its subsidiary Vertis Newark, LLC (f/k/a Webcraft Chemical, Inc.) and UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED-INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION, AFL-CIO-CLC, DISTRICT 4 on behalf of its LOCAL 318 (USW), dated February 1, 2010 thru January 31, 2012 and extended by a Memorandum of Understanding dated January 31, 2012 between Webcraft, LLC, Vertis Newark, LLC and USW.
2. Collective Agreement by and between American Color Graphics, Inc. d/b/a/ ACG Canada and Communications, Energy & Paperworks Union of Canada and its Local 425-G Niagara Peninsula, dated January 1, 2005 and extended by a Memorandum of Settlement dated January 20, 2012.
3. Memorandum of Understanding, by and between Webcraft, LLC and Graphics Communications Conference, International Brotherhood of Teamsters, Local 16N dated June 11, 2011.

#### B. Other Matters

1. A secret ballot election was held on August 31, 2011 at the company's Monroe, NJ facility, as a result of a petition filed by Local -1 Amalgamated Lithographers of America, AFL-CIO. The results of the election were not conclusive, and various objections and challenges related to the election were referred to a hearing before an Administrative Law Judge. On December 22, 2011, the Administrative Law Judge issued his decision, ruling in the company's favor on all issues. At the Administrative Law Judge's direction, the case has been remanded to the NLRB's Regional Director, and the company and union are awaiting the NLRB's final resolution.
2. A second secret ballot election was held on August 22, 2012 at the company's Monroe, NJ facility, as a result of another petition filed by Local -1 Amalgamated Lithographers of America, AFL-CIO. The company won the election (56 against the union, 31 in favor), and the union filed no objections.
3. Starting in 2009, Joseph Grippando claimed an entitlement to benefits under the Vertis SERP in the total amount of \$285,000. Mr. Grippando's claim was further asserted by one law firm in February 2009, and by another law firm in May 2010. The Vertis Retirement Committee denied Mr. Grippando's claim for benefits, and

subsequently denied his appeal, which was communicated to Mr. Grippando's second attorney on July 7, 2010.

Extensive correspondence ensued between the second attorney and counsel for Vertis. On May 19, 2011, Vertis offered Mr. Grippando approximately \$10,000 to settle the matter. No response has ever been received to the settlement offer, nor has there been any further communication with Mr. Grippando's attorney.

## Schedule 3(n)

### Taxes

#### 1. Income Tax Audits

The Company is not currently being audited for income taxes by any taxing authority

#### 2. Sales Tax Audits

Legal Entity	State	Audit Period	Waiver
Vertis, Inc.	South Dakota	Aug 2007 - Jul 2010	None
Webcraft, LLC	South Dakota	Aug 2007 - Jul 2010	None
ACG, Inc	South Dakota	Aug 2007 - Jul 2010	None
USA Direct, LLC	South Dakota	Aug 2007 - Jul 2010	None
Enteron, LLC	South Dakota	Aug 2007 - Jul 2010	None
ACG, Inc.	New York	Sep 2008 - Feb 2011	12/20/2012
Vertis, Inc.	New York	Jun 2008 - Feb 2011	12/20/2012
Vertis, Inc	California	Apr 2008 - Jun 2011	01/31/2013
Vertis, Inc.	Arizona	Oct 2008 - Apr 2012	12/31/2012

#### 3. Property Tax Audits

Legal Entity	State	Audit Period	Waiver
Vertis, Inc.	Yolo County, CA	2008 – 2011	None
Vertis, Inc.	Riverside County, CA	2008 – 2011	None
Vertis, Inc.	Los Angeles County, CA	2009 – 2012	None
Vertis, Inc.	Sacramento County, CA	2009 – 2012	None
Vertis, Inc.	Orange County, CA	2009 – 2012	None

#### 4. Tax Appeals

Legal Entity	Authority	Period	Tax Type
Vertis, Inc	MI Tax Tribunal	Feb 2005 - April 2008	Sales & Use
Vertis Inc.	NC Property Tax Commission	2005 - 2008	Personal Property

**Income Tax Extended Due Dates**

Extended Due Date	Entity	State	Type	Year
10/1/2012	VI	CT	Separate	2011
10/1/2012	ACG	CT	Separate	2011
10/1/2012	VI	DE	Separate	2011
10/1/2012	VI	FL	Separate	2011
10/1/2012	ACG	FL	Separate	2011
10/15/2012	VI	AZ	Combined	2011
10/15/2012	VHI	CA	Combined	2011
10/15/2012	VI	CO	Separate	2011
10/15/2012	ACG	CO	Separate	2011
10/15/2012	VHI	IL	Combined	2011
10/15/2012	VI	IN	Separate	2011
10/15/2012	ACG	IN	Separate	2011
10/15/2012	VHI	KS	Combined	2011
10/15/2012	VI	KY	Separate	2011
10/15/2012	ACG	KY	Separate	2011
10/15/2012	VI	MA	Combined	2011
10/15/2012	VI	MD	Separate	2011
10/15/2012	ACG	MD	Separate	2011
10/15/2012	VHI	ME	Combined	2011
10/15/2012	VHI	MN	Combined	2011
10/15/2012	VI	MO	Separate	2011
10/15/2012	ACG	NC	Separate	2011
10/15/2012	VI	NC	Separate	2011
10/15/2012	VI	NH	Combined	2011
10/15/2012	VI	NJ	Separate	2011
10/15/2012	ACG	NJ	Separate	2011
10/15/2012	VI	OH, Blue Ash	Separate	2011
10/15/2012	VHI	OR	Combined	2011
10/15/2012	VHI	OR, Portland	Combined	2011
10/15/2012	ACG	PA	Separate	2011
10/15/2012	VI	PA	Separate	2011
10/15/2012	ACG	TN	Separate	2011
10/15/2012	VI	TN	Separate	2011
10/15/2012	VHI	UT	Combined	2011
10/15/2012	VI	VA	Combined	2011
10/15/2012	VI	WI	Combined	2011
10/31/2012	ACG	IA	Separate	2011
10/31/2012	VI	OH, Columbus	Separate	2011

Extended Due Date	Entity	State	Type	Year
10/31/2012	ACG	OH-Hudson	Separate	2011
10/31/2012	ACG	OH-Medina	Separate	2011
11/15/2012	VI	LA	Separate	2011
11/15/2012	VI	TX	Combined	2011
12/15/2012	VHI	NY	Combined	2011
12/15/2012	VHI	NY	Combined	2011
12/15/2012	VHI	NYC	Combined	2011

**Schedule 3(q)**

**Customers**

<u>Customer</u>	<u>% of Total VA</u>
1. SAFEWAY CORPORATE	8.1%
2. KROGER CO.	7.2%
3. SEARS HOLDINGS CORPORATION	4.5%
4. BEST BUY CO INC	4.2%
5. RITE AID CORP	3.8%
6. INNERWORKINGS INC	3.7%
7. MENARD INC	3.6%
8. MACY'S INC	3.3%
9. MUTUAL OF OMAHA	3.3%
10. AMERICAN EXPRESS CO	3.1%

**Schedule 3(r)**

**Suppliers**

1. ABITIBI BOWATER
2. LINDENMEYR
3. TEMBEC
4. NEWPAGE CORP
5. SUN CHEMICAL CORP
6. FLINT INK CORP
7. NORPAC PAPER CO
8. BOWATER INC
9. EVERGREEN PACKAGING INC
10. AMERICAN EXPRESS



**Schedule 5(c)**

**Conduct of Business**

1. Sale of real property located in York, Pennsylvania.
2. Discontinuation of operations at 2000, 2010, 2020 Westridge Drive, Irving, TX, 75038 in connection with expiration of lease on 10/31/2012

**Schedule 5(c)(v)**

**Permitted Transactions**

1. None.

**Schedule 5(c)(vii)**

**Perfection of Acquired Assets**

1. None.

**Schedule 5(k)(v)**

**Transition Real Property**

	<u>State</u>	<u>City</u>	<u>Location</u>	<u>Zip</u>
1.	OH	Medina	620 East Smith Road	44256
2.	TX	Dallas	8000 Ambassador Row	75247

**Schedule 5(q)(ii)**

**Transferred Employee Incentive Program**

Sellers Incentive Program:

1. To the extent the Closing occurs on or prior to December 31, 2012, \$4,300,000 in the aggregate.
2. To the extent the Closing occurs after December 31, 2012 and prior to the Drop Dead Date, \$4,300,000 plus \$250,000 for every 30 days after December 31, 2012 and prior to the Closing.

Buyer Incentive Program:

1. \$2,500,000

**Schedule 7(a)(ix)**

**Necessary Consents for Material Contracts**

1. The consents of the respective landlords with respect to the following properties:

	<u>Address</u>	<u>Suite</u>	<u>City State</u>	<u>Subtype</u>	<u>Expiration</u>
1.	3200 Pomona Boulevard	Bldg. A	Pomona, CA	Manufacturing	05/31/2014
2.	2004 McGaw Avenue		Irvine, CA	Manufacturing	09/30/2013
3.	4646 South Grady		Tampa, FL	Manufacturing	12/31/2015
4.	245 Benton Drive		East Longmeadow, MA	Manufacturing	02/02/2016
5.	28 Engelhard Drive		Cranbury, NJ	Manufacturing	11/30/2017
6.	Route 1 & Adam Station		North Brunswick, NJ	Manufacturing	09/30/2017
7.	80 Stemmers Lane		Westampton, NJ	Manufacturing	08/31/2015
8.	10911 Granite St.		Charlotte, NC	Manufacturing	04/30/2013
9.	4051 Fondorf Drive		Columbus, Franklin County, OH	Manufacturing	12/31/2014
10.	6031,6035,6221,6231,6241 NE 92nd Ave.	AP Building #2,3,4	Portland, OR	Manufacturing	11/30/2012
11.	2901 Blackbridge Road		York, PA	Manufacturing	05/31/2017
12.	8000 Ambassador Row <sup>1</sup>		Dallas, TX	Manufacturing	09/30/2015
13.	1090 South 3800 West	Building 3	Salt Lake City, UT	Manufacturing	08/31/2014
14.	7619 Doane Drive		Manassas, VA 20109	Manufacturing	05/31/2014

2. Necessary Consents with respect to the Material Contracts with each of the five largest direct marketing (DM) customers of the Business, and each of the five largest retail (Inserts) customers of the Business, in each case, as determined based on revenue for the twelve months preceding the Agreement Date.

---

<sup>1</sup> Only represents a necessary consent if the lease is assumed.