UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
VERTIS HOLDINGS, INC., *et al.*,	:	Case No. 10-16170 (ALG)
Debtors.	:	(Jointly Administered)

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER (I) APPROVING (A) THE DISCLOSURE STATEMENT PURSUANT TO SECTIONS 1125 AND 1126(C) OF THE BANKRUPTCY CODE, (B) SOLICITATION OF VOTES AND VOTING PROCEDURES, AND (C) FORMS OF BALLOTS, AND (II) CONFIRMING THE AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC. ET AL.

Upon the motion (the "Motion") of the Debtors[1] for entry of (i) an order (a) scheduling a combined hearing on the adequacy of the Debtors' Disclosure Statement (as defined below), approval of the solicitation procedures utilized in connection with the prepetition solicitation of votes to accept or reject the Plan (as defined below), and confirmation of the Amended Joint Prepackaged Chapter 11 Plan of Vertis Holdings, Inc. et al. (the "Plan")[2], (b) approving form and manner of the Combined Notice (as defined below), and (c) approving the procedures for objecting to the adequacy of the Disclosure Statement, approval of the Solicitation Procedures, and confirmation of the Plan; and (ii) an order (the "Confirmation Order") (a) approving the Solicitation Procedures, (b) approving the adequacy of the Disclosure Statement, and (c) confirming the Plan; and upon the order, dated November 23, 2010, granting,

[1] 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); and Webcraft Chemicals, LLC (6726).

[2] Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Plan.

in part, the Motion (the "Scheduling Order") [Docket No. 62]; and the Court having considered the Debtors' Memorandum of Law in Support of Entry of an Order (I) Approving (A) the Debtors' Disclosure Statement Pursuant to Sections 1125 and 1126(c) of the Bankruptcy Code, (B) Solicitation of Votes and Voting Procedures, and (C) Forms of Ballots, and (II) Confirming the Amended Joint Prepackaged Chapter 11 Plan of Vertis Holdings, et al. (the "Confirmation Brief") [Docket No. 119], the Declaration of Gerald Sokol In Support of the Amended Joint Prepackaged Chapter Plan of Vertis Holdings, Inc. et al. (the "Sokol Declaration") [Docket No. 118], the Declaration Of Randall Eisenberg In Support Of Confirmation Of Amended Joint Prepackaged Chapter 11 Plan of Vertis Holdings, Inc. et al. (the "Eisenberg Declaration") [Docket No. 117], and the Declaration of Joshua Scherer In Support of Confirmation Of Amended Joint Prepackaged Chapter 11 Plan of Vertis Holdings, Inc. et al. (the "Scherer Declaration") [Docket No. 115], each filed by the Debtors in advance of the Confirmation Hearing; and the Court having held a hearing on December 16, 2010 pursuant to sections 1128 and 1129 of the Bankruptcy Code to consider confirmation of the Plan (the "Confirmation Hearing"); and the Court having admitted into the record and considered evidence at the Confirmation Hearing; and the Court having taken judicial notice of the contents of the docket of the above-captioned Chapter 11 Cases (as defined below) maintained by the clerk of the Court and/or its duly-appointed agent, including all pleadings and other documents filed and orders entered thereon; and after due deliberation thereon and good and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

FINDINGS OF FACT AND CONCLUSIONS OF LAW[3]

A. Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2) and 1334(a)). This Court has jurisdiction over the above-captioned jointly administered chapter 11 cases of the Debtors (the "Chapter 11 Cases") pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L), and this Court has jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

B. Filing of Plan. On November 18, 2010, the Debtors filed the Joint Prepackaged Chapter 11 Plan of Vertis Holdings, Inc. et al. (the "Initial Plan") and the Debtors' Amended Confidential Offering Memorandum, Consent Solicitation, Private Placement and Disclosure Statement Soliciting Acceptances Of A Prepackaged Plan Of Reorganization, dated November 1, 2010 (including any supplements and annexes thereto (the "Disclosure Statement"). On December 9, 2010, the Debtors filed non-material modifications to the Initial Plan and initial Plan Supplement documents.

C. Transmittal of Solicitation Package. Prior to the Petition Date, the Debtors, through their solicitation agent, Kurtzman Carson Consultants LLC ("KCC"), caused the applicable forms of ballots, in the forms attached to the Motion as Exhibits C and D, (the "Ballots") and copies of the Disclosure Statement and Plan (the "Solicitation Packages") to be served and distributed as required by sections 1125 and 1126 of Title 11 of the United States Code (the "Bankruptcy Code"), Rules 3017 and 3018 of the Federal Rules of Bankruptcy

[3] Each finding of fact set forth or incorporated herein, to the extent it is or may be deemed a conclusion of law, shall also constitute a conclusion of law. Each conclusion of law set forth or incorporated herein, to the extent it is or may be deemed a finding of fact, shall also constitute a finding of fact.

Procedure (the "Bankruptcy Rules"), the Disclosure Statement, the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"), Amended Procedural Guidelines for Prepackaged Chapter 11 Cases in the United States Bankruptcy Court for the Southern District of New York, General Order M-387, dated Nov. 24, 2009 (the "Prepack Guidelines"), the Scheduling Order, all other applicable provisions of the Bankruptcy Code, the Scheduling Order, and all other applicable rules, laws, and regulations applicable to such solicitation, including section 4(2) of the Securities Act of 1933 (as amended, and including the rules and regulations promulgated thereunder, the "Securities Act"). The Plan and the Disclosure Statement were transmitted to all creditors entitled to vote on the Plan and sufficient time was prescribed for creditors to accept or reject the Plan. Such transmittal and service was adequate and sufficient under the circumstances and no other or further notice is or shall be required.

D. Mailing and Publication of Combined Notice. On or before November 24, 2010, the Debtors caused the Summary Of Plan Of Reorganization, Notice Of Commencement Of Chapter 11 Bankruptcy Cases, And Notice Of Combined Hearing On Disclosure Statement And Plan Confirmation, attached to the Scheduling Order as Exhibit A (the "Combined Notice") to be mailed to all of the Debtors' known creditors and interest holders of record. See Affidavit of Service of Robert D. Tomasch re: Summary of Plan of Reorganization, Notice of Commencement of Chapter 11 Bankruptcy Cases, and Notice of Combined Hearing on Disclosure Statement and Plan Confirmation [Docket No. 79]; Affidavit of Service of Jennifer Whitney re: Summary of Plan of Reorganization, Notice of Commencement of Chapter 11 Bankruptcy Cases, and Notice of Combined Hearing on Disclosure Statement and Plan Confirmation Dated November 23, 2010 [Docket No. 80]. Additionally, the Debtors published

the Combined Notice in The Wall Street Journal (Global Edition) on November 26, 2010 and November 29, 2010. See Affidavit of Publication of Albert Fox in The Wall Street Journal (Global Edition) [Docket No. 81]. Publication of the Combined Notice was in substantial compliance with the Scheduling Order and Bankruptcy Rule 2002(l). The Debtors have given proper, adequate and sufficient notice of the hearing to approve the Disclosure Statement as required by Bankruptcy Rule 3017(a). The Debtors have given proper, adequate and sufficient notice of the Confirmation Hearing as required by Bankruptcy Rule 3017(d). Due, adequate, and sufficient notice of the Disclosure Statement, the Plan, along with deadlines for filing objections to the Plan and the Disclosure Statement, has been given to all known holders of Claims and Interests substantially in accordance with the procedures set forth in the Scheduling Order. No other or further notice is or shall be required.

E. Objections. All objections and all reservations of rights that have not been withdrawn, waived or settled, pertaining to confirmation of the Plan are overruled on the merits.

F. Adequacy of Disclosure Statement. Because the Plan was solicited prior to the Petition Date, the adequacy of the Disclosure Statement is governed by Bankruptcy Code sections 1125(b) and (g). As established by the Sokol Declaration, the information contained in the Disclosure Statement contained extensive material information regarding the Debtors so that parties entitled to vote on the Plan (and participate in the out-of-court exchange offers and the Private Placement to the extent such parties were "accredited investors" within the meaning of Rule 501 of Regulation D under the Securities Act or non-"U.S. persons" in reliance on Regulation S under the Securities Act) could make informed decisions regarding the Plan, the out-of-court exchange offers and the Private Placement. Additionally, the Disclosure Statement contains adequate information as that term is defined in Bankruptcy Code section 1125(a) and

complies with any additional requirements of the Bankruptcy Code and the Bankruptcy Rules. Specifically, but without limitation, the Disclosure Statement complies with the requirements of Bankruptcy Rule 3016(c) by sufficiently describing in specific and conspicuous bold language the provisions of the Plan that provide for releases and injunctions against conduct not otherwise enjoined under the Bankruptcy Code and sufficiently identifies the persons and entities that are subject to the releases and injunctions.

G. Solicitation. Sections 1125(g) and 1126(b) of the Bankruptcy Code apply to the solicitation of acceptances and rejections of the Plan prior to the commencement of these chapter 11 cases. Votes for acceptance or rejection of the Plan were solicited in good faith and in compliance with sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018, and all other applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Prepack Guidelines, and all other rules, laws, and regulations. In particular, the solicitation of the Plan commenced on November 1, 2010, in accordance with applicable nonbankruptcy law, and the Voting Deadline remained open until December 1, 2010, although solicitation ceased on the Petition Date. Accordingly, the solicitation of the Plan complied with the provisions of Bankruptcy Code section 1125(g) and the Prepack Guidelines. The form of the Ballots was adequate and appropriate and complied with Bankruptcy Rule 3018(c). The forms of the Ballots were sufficiently consistent with Official Form No. 14 and the form of ballot annexed to the Prepack Guidelines and adequately addressed the particular needs of these Chapter 11 Cases and were appropriate for the Classes entitled to vote to accept or reject the Plan.

H. Good Faith Solicitation (11 U.S.C. § 1125(e)). All persons who solicited votes on the Plan, including any such persons released pursuant to Article IX.B and IX.C of the Plan, solicited such votes in good faith and in compliance with the applicable provisions of the

Bankruptcy Code and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code as well as the exculpation and limitation of liability provisions set forth in Article IX.D of the Plan.

I. Tabulation Results. On December 13, 2010, KCC filed the Declaration of Service and Vote Certification of Kurtzman Carson Consultants LLC In Connection with the Joint Prepackaged Chapter 11 Plan of Vertis Holdings, Inc. et al. [Docket No. 111] (the "Tabulation Declaration"), certifying the method and results of the ballot tabulation for each of the Classes entitled to vote under the Plan (the "Voting Classes"). As evidenced by the Tabulation Declaration, all Voting Classes for which votes were received have accepted the Plan with respect to each of the Debtors in accordance with section 1126 of the Bankruptcy Code. All procedures used to tabulate the Ballots were fair and reasonable and conducted in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, the Prepack Guidelines, the Scheduling Order and all other applicable rules, laws, and regulations.

J. Bankruptcy Rule 3016. The Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the clerk of the Court simultaneously with the Plan satisfied Bankruptcy Rule 3016(b).

K. Burden of Proof. As more fully set forth herein, the Debtors, as proponents of the Plan, have met their burden of proving each of the elements of sections 1129(a) and 1129(b) of the Bankruptcy Code by a preponderance of the evidence, which is the applicable evidentiary standard for confirmation of the Plan.

L. Plan Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(1)). The Plan satisfies section 1129(a)(1) of the Bankruptcy Code because it complies with the applicable

provisions of the Bankruptcy Code, including, but not limited to: (a) the proper classification of Claims and Interests (11 U.S.C. §§ 1122, 1123(a)(1)); (b) the specification of Unimpaired Classes (11 U.S.C. § 1123(a)(2)); (c) the specification of treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)); (d) provision for the same treatment of each Claim or Interest within a Class (11 U.S.C. § 1123(a)(4)); (e) provision for adequate and proper means for implementation (11 U.S.C. § 1123(a)(5)); (f) the prohibition against the issuance of non-voting equity securities (11 U.S.C. § 1123(a)(6)); (g) adequate disclosure of the procedures for determining the identities and affiliations of the directors, members and officers with respect to the Reorganized Debtors (11 U.S.C. § 1123(a)(7)); and (h) the inclusion of additional plan provisions permitted to effectuate the restructuring of the Debtors (11 U.S.C. § 1123(b)).

(a) Proper Classification (11 U.S.C. §§ 1122 and 1123(a)(1)). In particular, Article III of the Plan adequately and properly identifies and classifies all Claims and Interests. The Plan designates nine (9) Classes of Claims and two (2) Classes of Interests. The Claims or Interests placed in each Class are substantially similar to other Claims or Interests, as the case may be, in each such Class, and such classification therefore satisfies section 1122 of the Bankruptcy Code. Valid business and legal reasons exist for the various Classes of Claims and Interests created under the Plan, and such Classes do not unfairly discriminate between holders of Claims or Interests. Thus, the Plan satisfies section 1123(a)(1) of the Bankruptcy Code.

(b) Specified Treatment of Unimpaired Classes (11 U.S.C. § 1123(a)(2)). The Plan specifies in Article III that Classes 1, 2, 3, 5, 7, 8 and 11 are Unimpaired under the Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

(c) Specified Treatment of Impaired Classes (11 U.S.C. § 1123(a)(3)). The Plan specifies in Article III that Classes 4A, 4B, 4C, 6, 9 and 10 are Impaired under the Plan

and sets forth the treatment of the Impaired Classes in Article III of the Plan, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

(d) No Discrimination (11 U.S.C. § 1123(a)(4)). Article III of the Plan provides for the same treatment for each Claim or Interest in each respective Class unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest. Accordingly, the Plan satisfies section 1123(a)(4) of the Bankruptcy Code.

(e) Implementation of the Plan (11 U.S.C. § 1123(a)(5)). Article V of the Plan provides adequate and proper means for implementation of the Plan, thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

(f) Nonvoting Equity Securities (11 U.S.C. § 1123(a)(6)). Article V.T of the Plan provides that the organizational documents of each Reorganized Debtor shall be amended as necessary to satisfy the provisions of the Plan and the Bankruptcy Code, including section 1123(a)(6). Accordingly, the Plan satisfies section 1123(a)(6) of the Bankruptcy Code.

(g) Selection of Officers and Directors (11 U.S.C. § 1123(a)(7)). The Debtors have identified proposed directors and officers of the Reorganized Debtors. The appointment of directors to the Board under the Plan and the Stockholders' Agreement is consistent with the interests of creditors and with public policy and, thus, satisfies section 1123(a)(7) of the Bankruptcy Code.

M. Debtors' Compliance with Bankruptcy Code (11 U.S.C. § 1129(a)(2)). The Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Scheduling Order, and other orders of this Court, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. In particular, the Debtors are proper debtors under section 109 of the Bankruptcy Code. The Debtors are proper proponents of the Plan pursuant to

section 1121(a) of the Bankruptcy Code. The Debtors, as proponents of the Plan, complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the local rules of this Court, the Prepack Guidelines and the Scheduling Order in transmitting the Plan, the Disclosure Statement, the Ballots and notices and in soliciting and tabulating votes on the Plan.

N. Plan Proposed in Good Faith (11 U.S.C. § 1129(a)(3)). The Debtors have proposed the Plan in good faith, for proper purposes and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the formulation of the Plan and all modifications thereto. The Chapter 11 Cases were filed, and the Plan and all modifications thereto were proposed, with the legitimate and honest purpose of reorganizing and maximizing the value of the Debtors and the recovery to claimholders. Therefore, the Debtors have proposed the Plan in good faith and not by any means forbidden by law, and section 1129(a)(3) of the Bankruptcy Code is satisfied with respect to the Plan.

O. Payments for Services or Costs and Expenses (11 U.S.C. § 1129(a)(4)). All fees and expenses of Professionals retained in the Chapter 11 Cases remain subject to final review for reasonableness by the Court. Pursuant to Article II.A.2(A) of the Plan, professionals holding Claims for Accrued Professional Compensation are required to file their final fee applications with the Court no later than thirty (30) days after the Effective Date. These applications remain subject to Court approval under the standards established by the Bankruptcy Code, including the requirements of sections 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code, as applicable. Finally, Article XII of the Plan provides that the Court will retain jurisdiction after the Effective Date to hear and determine all applications for allowance of

compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Plan, including requests by Professionals. Accordingly, the Plan fully complies with the requirements of section 1129(a)(4) of the Bankruptcy Code.

P. Board of Managers, Officers, and Insiders (11 U.S.C. § 1129(a)(5)). The Debtors have sufficiently disclosed the initial members of the New Board of Reorganized Vertis Holdings, including the identity of any insider that will be employed or retained by Reorganized Vertis Holdings. The Debtors have also disclosed the process and procedure for selecting additional members of the New Board of Reorganized Vertis Holdings. The appointment to, or continuance in, such office of each individual, and the methods established therefore, are consistent with the interests of holders of Claims and Interests, and with public policy. Therefore, section 1129(a)(5) of the Bankruptcy Code is satisfied with respect to the Plan.

Q. No Rate Changes (11 U.S.C. § 1129(a)(6)). Section 1129(a)(6) of the Bankruptcy Code is satisfied because the Plan does not provide for any change in rates over which a governmental regulatory commission has jurisdiction.

R. Best Interests Test (11 U.S.C. § 1129(a)(7)). The liquidation analysis attached as Appendix D to the Disclosure Statement, the Eisenberg Declaration, the Sokol Declaration, the Scherer Declaration and other evidence proffered or adduced at the Confirmation Hearing (1) are persuasive and credible, (2) are based upon reasonable and sound assumptions, (3) provide a reasonable estimate of the liquidation values of the Debtors in the event the Debtors were liquidated under Chapter 7 of the Bankruptcy Code, and (4) establish that each holder of a Claim or Interest in an Impaired Class that has not accepted the Plan will receive or retain under the Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive if the Debtors

were liquidated under Chapter 7 of the Bankruptcy Code on such date. Therefore, the Plan satisfies section 1129(a)(7) of the Bankruptcy Code.

S. Acceptance By Certain Classes (11 U.S.C. § 1129(a)(8)). Classes 1, 2, 3, 5, 7, 8 and 11 are Unimpaired by the Plan and, therefore, under section 1126(f) of the Bankruptcy Code, such Classes are conclusively presumed to have accepted the Plan. Classes 4A, 4B, 4C and 6 were entitled to vote on the Plan and each of such Classes has voted to accept the Plan. Accordingly, Bankruptcy Code section 1129(a)(8) has been satisfied with respect to Classes 1 through 8 and 11. Class 9 and Class 10 are deemed to reject the Plan pursuant to Bankruptcy Code section 1126(g), but, as found in paragraph Z below, the Plan is confirmable under Bankruptcy Code section 1129(b) notwithstanding the rejections by such Classes. Therefore, section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to these Classes.

T. Treatment of Administrative and Priority Tax Claims and Priority Non-Tax Claims (11 U.S.C. § 1129(a)(9)). The treatment of Administrative Claims and Priority Non-Tax Claims under the Plan satisfies the requirements of section 1129(a)(9)(A) and (B) of the Bankruptcy Code, and the treatment of Priority Tax Claims under the Plan satisfies the requirements of section 1129(a)(9)(C) of the Bankruptcy Code.

U. Acceptance By Impaired Class (11 U.S.C. § 1129(a)(10)). At least one Impaired Class of Claims voted to accept the Plan determined without including any acceptance of the Plan by any "insiders." Therefore, section 1129(a)(10) of the Bankruptcy Code is satisfied with respect to the Plan.

V. Feasibility (11 U.S.C. § 1129(a)(11)). The Plan does not provide for the liquidation of all or substantially all of the property of the Debtors. The financial projections in

Appendix C to the Disclosure Statement, the Sokol Declaration, the Eisenberg Declaration and the evidence proffered or adduced at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other credible evidence or sufficiently challenged in any of the objections to the Plan, and (iii) establish that the Plan is feasible and that confirmation of the Plan is not likely to be followed by the liquidation of the Reorganized Debtors or the need for further financial reorganization of the Reorganized Debtors. Therefore, the Plan satisfies section 1129(a)(11) of the Bankruptcy Code.

W. Payment of Fees (11 U.S.C. § 1129(a)(12)). The Debtors have paid or, pursuant to the Plan, will pay by the Effective Date, fees payable under 28 U.S.C. § 1930, thereby satisfying section 1129(a)(12) of the Bankruptcy Code.

X. Continuation of Retiree Benefits (11 U.S.C. § 1129(a)(13)). Article V.H of the Plan provides that, following the Effective Date, the payment of all retiree benefits (as defined in section 1114 of the Bankruptcy Code) shall continue at the levels established pursuant to subsections (e)(1)(B) or (g) of section 1114 of the Bankruptcy Code, at any time prior to confirmation the Plan, for the duration of the periods the Debtors have obligated themselves to provide such benefits, if any, and subject to any contractual rights to terminate or modify, thereby satisfying section 1129(a)(13) of the Bankruptcy Code.

Y. Section 1129(b); Confirmation of The Plan Over Nonacceptance of Impaired Classes. Holders of Claims and Interests in Classes 9 and 10 are deemed to have rejected the Plan (the "Rejecting Classes"). All of the requirements of section 1129(a) of the Bankruptcy Code, other than section 1129(a)(8) with respect to such Classes, have been met. Notwithstanding the fact that the Rejecting Classes are deemed to reject the Plan and thus do not satisfy section 1129(a)(8), the Plan may be confirmed pursuant to section 1129(b)(1) of the

Bankruptcy Code because the Plan does not discriminate unfairly and is fair and equitable with respect to the Rejecting Classes. Thus, the Plan may be confirmed notwithstanding the Debtors' inability to satisfy section 1129(a)(8) of the Bankruptcy Code. After entry of this Confirmation Order and upon consummation of the Plan, the Plan shall be binding upon the members of the Rejecting Classes.

Z. The Plan does not unfairly discriminate because members within each Class are treated similarly. In particular, all of the Class 9 Subordinated 510(b) Claims and Class 10 Interests in Vertis Holdings are placed into their individual classes and given the same respective treatment. Accordingly, the Plan does not discriminate unfairly in respect to the Rejecting Classes or any other Class of Claims or Interests.

AA. The Plan is fair and equitable with respect to the Rejecting Classes, because, in accordance with Bankruptcy Code section 1129(b)(2)(B) and (C), there are no Holders of Claims or Interests junior to the Holders of Class 9 Subordinated 510(b) Claims and Class 10 Interests in Vertis Holdings who will receive or retain any property under the Plan. Moreover, pursuant to the Plan, no holders of Claims against Vertis Holdings senior to the Rejecting Classes are receiving more than full payment on account of such Claims against Vertis Holdings. Additionally, with respect to Interests in the Subsidiary Debtors, Class 11 Intercompany Interests are Unimpaired and deemed to accept the Plan. Class 11 Intercompany Interests consists solely of all of the Interests in the Subsidiary Debtors and there are no Interests in the Subsidiary Debtors classified in any other Class under the Plan. The preservation of Intercompany Interests is a means to preserve the Reorganized Debtors' corporate structure that does not have any economic substance and that does not enable any claimholder or interest holder junior to the Rejecting Classes to retain or recover any value under the Plan. Accordingly,

the Unimpaired status of Class 11 is consistent with the requirement that no holders of Claims or Interests junior to the holders of Claims or Interests in the Rejecting Classes will receive or retain any property under the Plan on account of such Claims or Interests. Accordingly, the Plan is fair and equitable and does not discriminate unfairly, as required by section 1129(b) of the Bankruptcy Code, and may be confirmed under Bankruptcy Code section 1129(b) notwithstanding the Rejecting Classes' deemed rejection of the Plan.

BB. Principal Purpose of Plan (11 U.S.C. § 1129(d)). The principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act of 1933 (15 U.S.C. § 77e). Accordingly, the Plan satisfies the requirements of section 1129(d) of the Bankruptcy Code.

CC. Satisfaction of Confirmation Requirements. Based upon the foregoing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

DD. Executory Contracts. The Debtors have exercised reasonable business judgment in determining whether to assume or reject their executory contracts and unexpired leases pursuant to Article VI of the Plan. Each assumption of an executory contract or unexpired lease pursuant to Article VI of the Plan shall be legal, valid and binding upon the applicable Debtor or Reorganized Debtor and their assignees or successors and all non-Debtor parties (and their assignees or successors) to such executory contract or unexpired lease, all to the same extent as if such assumption had been effectuated pursuant to an order of the Court entered before the date of the entry of this Confirmation Order (the "Confirmation Date") under section 365 of the Bankruptcy Code. The list of executory contracts and unexpired leases rejected under the Plan is attached to the Plan as Exhibit A.

EE. Adequate Assurance. The Debtors have cured, or provided adequate assurance that the Reorganized Debtors will cure, defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Debtors pursuant to the Plan.

FF. Releases and Discharges. The releases and discharges of Claims and causes of action described in Article IX of the Plan, as hereinafter modified by this Order, constitute good faith compromises and settlements of the matters covered thereby. Such compromises and settlements are (i) made in exchange for adequate consideration including, without limitation, in exchange for the New Common Stock, (ii) in the best interests of the Debtors' Estates, claimholders and other parties in interest, (iii) fair, equitable and reasonable, (iv) integral elements of the restructuring and resolution of the Chapter 11 Cases in accordance with the Plan and (v) are otherwise approved by the Court as appropriate pursuant to applicable law. Each of the discharge, release, injunction, indemnification and exculpation provisions set forth in the Plan (as modified by this Order, as applicable): (i) is within the jurisdiction of the Court under 28 U.S.C. §§ 1334(a), (b), and (d); (ii) is an essential means of implementing the Plan pursuant to section 1123(a)(5) of the Bankruptcy Code; (iii) is an integral element of the transactions incorporated into the Plan; (iv) confers a material benefit on, and is in the best interests of, the Debtors, their Estates and their creditors; (v) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties in interest in the Chapter 11 Cases with respect to the Debtors, their organization, capitalization, operation and reorganization; and (vi) is consistent with sections 105, 1123, 1129, and other applicable provisions of the Bankruptcy Code.

GG. Issuance of New Common Stock. Issuance of the New Common Stock is an essential element of the Plan and is in the best interests of the Debtors, their Estates, and their creditors. The Debtors are authorized, without further approval of this Court or any other party, to issue the New Common Stock in accordance with the Plan and to execute and deliver all agreements, documents, instruments, and certificates relating thereto.

HH. Distributions of New Common Stock Are Exempt From Registration Under the Securities Act. The distribution of the New Common Stock pursuant to the Plan in exchange for the Second Lien Notes and Senior PIK Notes is exempt from the registration and prospectus delivery requirements of section 5 of the Securities Act, as amended, and any state or local laws requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker dealing in, a security pursuant to and subject to the limitations in section 1145(a) of the Bankruptcy Code.

II. Private Placement. The Private Placement and the issuance of New Common Stock pursuant to the Private Placement is an essential element of the Plan and is in the best interests of the Debtors, their Estates, and their creditors. The offer and sale of New Common Stock pursuant to the Private Placement are exempt from registration under Section 5 of the Securities Act by virtue of the exemption therefrom provided by Section 4(2) of the Securities Act. The Debtors are authorized, without further approval of this Court or any other party, to issue the New Common Stock in accordance with the Private Placement and to execute and deliver all agreements, documents, instruments and certificates relating thereto.

JJ. Equity Commitment Agreement and Avenue Backstop Agreement. Without limiting, impairing or modifying any previous order of this Court approving or governing the Equity Commitment Agreement or the Avenue Backstop Agreement, the proposed

terms and conditions of the Equity Commitment Agreement and the Avenue Backstop Agreement are fair and reasonable and are approved. The Equity Commitment Agreement and the Avenue Backstop Agreement are essential elements of the Plan and entry into and consummation of the transactions contemplated by the Equity Commitment Agreement and the Avenue Backstop Agreement is in the best interests of the Debtors, the Estates, and Holders of Claims and is approved in all respects. The Debtors have exercised reasonable business judgment in connection with the Equity Commitment Agreement and the Avenue Backstop Agreement and the proposed terms thereunder have been negotiated in good faith and at arm's-length and are fair and reasonable. The Equity Commitment Agreement and the Avenue Backstop Agreement are valid, binding, and enforceable and are not in conflict with any applicable laws. The Reorganized Debtors are authorized, without further notice to or action, order, or approval of this Court or any other Person, to enter into and perform their obligations under the Equity Commitment Agreement and the Avenue Backstop Agreement, and execute and deliver all agreements, documents, instruments, and certificates relating to the Equity Commitment Agreement and Avenue Backstop Agreement.

KK. Exit Facilities. The Reorganized Debtors' entry into the New Term Loan and the New Revolving Credit Facility (together, the "Exit Facilities") is an exercise of reasonable business judgment, proposed in good faith, critical to the success and feasibility of the Plan and in the best interests of the Debtors, the Reorganized Debtors, their Estates and creditors. The financial accommodations extended to the Debtors and/or the Reorganized Debtors pursuant to the Exit Facilities are, were and continue to be extended and implemented in good faith and for legitimate business purposes. The liens, claims, liabilities and obligations of the Debtors and/or the Reorganized Debtors created under the Exit Facilities are valid, binding and

enforceable and not subject to avoidance. All documentation relating to the Exit Facilities constitutes valid, binding and enforceable agreements.

LL. Guarantees. The guarantees by Vertis, Inc. and the Subsidiary Debtors of obligations arising under the Exit Facilities are legal, valid, enforceable, binding, properly perfected and non-avoidable.

MM. Restructuring Transactions. The Reorganized Debtors' entry into and assumption of all obligations under and in respect of the transactions contemplated by Article V of the Plan and the other transactions contemplated by the Plan (collectively, the "Restructuring Transactions") is an exercise of reasonable business judgment, proposed in good faith, critical to the success and feasibility of the Plan and in the best interests of the Debtors, the Reorganized Debtors, the Estates and creditors. The Restructuring Transactions were negotiated, proposed, and entered into or will be entered into, as the case may be, by the Debtors, the Reorganized Debtors, and the counterparties thereto without collusion, in good faith, and from arm's-length bargaining positions. All documents heretofore executed in connection with the Restructuring Transactions are valid, binding and enforceable agreements and are not in conflict with any applicable federal or state law, and all documents to be executed following entry of this Confirmation Order in connection with the Restructuring Transactions, upon their execution, will be valid, binding and enforceable agreements and will not be in conflict with any applicable federal or state law.

NN. Plan Conditions to Confirmation. The conditions to confirmation set forth in Article X of the Plan have been satisfied or waived in accordance with the terms of the Plan.

OO. Plan Conditions to Consummation. Each of the conditions to the Effective Date, as set forth in Article X of the Plan, is reasonably likely to be satisfied or waived in accordance with the terms of the Plan.

PP. Retention of Jurisdiction. The Court properly may retain jurisdiction over the matters set forth in Article XII of the Plan, subject to the exceptions set forth in Article XII of the Plan.

DECREES

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

Confirmation of Plan and Related Matters

1. Approval Of Disclosure Statement. Pursuant to Bankruptcy Rule 3017(b), the Disclosure Statement is approved under Bankruptcy Code sections 1125(a) and 1125(g).

2. Solicitation. The Solicitation Procedures, including the procedures for transmittal of Solicitation Packages, the form of Ballots, and the Voting Deadline, are approved under sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018, the Disclosure Statement, the Scheduling Order, the Prepack Guidelines, the local rules of this Court, all other applicable provisions of the Bankruptcy Code, and all other rules, laws, and regulations applicable to such solicitation. The solicitation materials are approved under sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018, the Disclosure Statement, the Scheduling Order, the Prepack Guidelines, the local rules of this Court, all other applicable provisions of the Bankruptcy Code, and all other applicable rules, laws, and regulations.

3. Confirmation. The Plan, in the form attached hereto as Exhibit A, including all provisions thereof and all Exhibits attached thereto, is approved and confirmed under section 1129 of the Bankruptcy Code. All acceptances and rejections previously cast for

or against the Plan are hereby deemed to constitute acceptances or rejections of the Plan in the form attached to this Order.

4. Confirmation Order Binding on All Parties. Subject to the provisions of the Plan and Bankruptcy Rule 3020(e), in accordance with section 1141(a) of the Bankruptcy Code and notwithstanding any otherwise applicable law, upon the occurrence of the Effective Date, the terms of the Plan and this Confirmation Order shall be binding upon, and inure to the benefit of: (a) the Debtors; (b) the Reorganized Debtors; (c) any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are Impaired under the Plan or whether the holders of such Claims or Interests accepted, rejected or are deemed to have accepted or rejected the Plan); (d) any other person giving, acquiring or receiving property under the Plan; (e) any and all non-Debtor parties to executory contracts or unexpired leases with any of the Debtors; and (f) the respective heirs, executors, administrators, trustees, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, guardians, successors or assigns, if any, of any of the foregoing. On the Effective Date, all settlements, compromises, releases, waivers, discharges, exculpations and injunctions set forth in the Plan shall be effective and binding on all Persons who may have had standing to assert any settled, released, discharged, exculpated or enjoined causes of action, and no other Person or entity shall possess such standing to assert such causes of action after the Effective Date.

5. Notice. Notice of the Plan, the exhibits thereto (and all amendments and modifications thereto), the Disclosure Statement, the Solicitation Packages and the Confirmation Hearing was proper and adequate.

6. Objections. All objections and all reservations of rights that have not been withdrawn, waived or settled, pertaining to the confirmation of the Plan are overruled on the merits.

7. Effectiveness of All Actions. All actions contemplated by the Plan are hereby authorized and approved in all respects (subject to the provisions of the Plan). The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of any Debtor or Reorganized Debtor or any officer or director thereof to take any and all actions necessary or appropriate to implement, effectuate and consummate any and all documents or transactions contemplated by the Plan or this Confirmation Order. Pursuant to this Order, Delaware General Corporate Law section 303, and other applicable law, the Debtors and the Reorganized Debtors are authorized and empowered, without action of their respective stockholders or members or boards of directors or managers (but subject to consent rights, if any, set forth in the Plan) to take any and all such actions as any of their executive officers may determine are necessary or appropriate to implement, effectuate and consummate any and all documents or transactions contemplated by the Plan or this Confirmation Order.

8. Revesting of Assets and Operation as of the Effective Date. Except as otherwise explicitly provided in the Plan, on the Effective Date, all property comprising the Estates shall revest in each of the Debtors and, ultimately, in the Reorganized Debtors, free and clear of all Claims, liens and Interests of any entity other than the Debtors, other than as expressly provided in the Plan. As of the Effective Date, each of the Reorganized Debtors may operate its business and use, acquire, and dispose of property and settle and compromise Claims without supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or

Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and this Confirmation Order. From and after the Effective Date, all Liens, mortgages, security interests, pledges, encumbrances and priorities (collectively, the "Liens and Encumbrances") in or to any of the property or assets of any Debtor or its Estate shall be and hereby is deemed terminated and all such assets and property shall revest and hereby are deemed to revest in the Reorganization Debtors as of the Effective Date free and clear of any and all Liens and Encumbrances save and except for the Liens and Encumbrances securing the Exit Financing and Liens and Encumbrances permitted thereunder and that are Reinstated under the Plan. If any Person, which has filed or recorded any Liens and/or Encumbrances (whether by way of financing statements, mortgages, pledges or other records, documents or agreements) shall not have delivered to the Debtors prior to the Effective Date, in proper form for recordation or filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of mortgages, deeds of trust, Liens, Claims and Encumbrances, and any other documents necessary for the purposes of documenting the release of all Liens and Encumbrances which the Person has or may assert with respect to any property of the Debtors' Estates and which do not survive confirmation under the Plan, then the Debtors or any agent under the Exit Facilities may execute and file such terminations, statements, instruments, releases and other documents on behalf of such person or entity with respect to the property in question. In addition, except as otherwise agreed by the Debtors, each Person that has possession of or holds any property of the Estate as collateral shall be required and directed to return such property to the Debtors or to the agents under the Exit Facilities and all Persons under than the agents under the Exit Facilities shall be directed to terminate and shall be deemed to have terminated all control agreements, access agreements and other documentation reflecting or perfecting any Liens or other priority.

9. New Organizational Documents. On or immediately prior to the Effective Date, Reorganized Vertis Holdings shall, and is hereby authorized to, file its amended certificate of incorporation, which is attached to the Plan as Exhibit C, with the Delaware Secretary of State.

10. Restructuring Transactions. The Restructuring Transactions are approved, and the Debtors and Reorganized Debtors and their officers, managers and directors are authorized, subject to the consent rights contained in the Plan, to execute and/or amend such documents (including but not limited to those filed as Plan Supplements) and take such actions as may be reasonably required in order to effectuate the Restructuring Transactions.

11. Equity Commitment Agreement and Avenue Backstop Agreement. The Equity Commitment Agreement and the Avenue Backstop Agreement are approved, and the Debtors and Reorganized Debtors and their officers, managers and directors are authorized, subject to the consent rights contained in the Equity Commitment Agreement and the Avenue Backstop Agreement, to execute and/or amend such documents and take such actions as may be reasonably required in order to effectuate the transactions contemplated by the Equity Commitment Agreement and the Avenue Backstop Agreement.

12. Cancellation of Interests in Vertis Holdings. On the Effective Date, all notes, instruments, certificates, and other documents evidencing the Interests in Vertis Holdings shall be cancelled, terminated and extinguished and the obligations of the Debtors thereunder or in any way related thereto shall be discharged.

13. Cancellation of Second Lien Notes, Senior PIK Notes, Indentures, Prepetition Term Loan Credit Agreement and Prepetition Revolving Loan Credit Agreement. The Second Lien Notes, the Senior PIK Notes, the Indentures, the Prepetition Term Loan Credit Agreement and the Prepetition Revolving Loan Credit Agreement shall be deemed cancelled,

terminated and extinguished effective upon the Effective Date, except as otherwise provided in the Plan, and all Claims arising thereunder shall be deemed satisfied on the Effective Date. Notwithstanding the foregoing and anything contained in the Plan or the Confirmation Order: (i) the Indentures shall continue in effect to the extent necessary to allow the Reorganized Debtors and/or the Indenture Trustees to make distributions under the Plan to the holders of Allowed Second Lien Note Claims and/or holders of Allowed Senior PIK Note Claims pursuant to the Indentures and for the Indenture Trustees to perform such other functions with respect thereto; and (ii) the Indenture Trustees shall maintain any charging lien and priority of payment that they may have against the distributions under the Plan to be made to the holders of Allowed Second Lien Note Claims and/or holders of Allowed Senior PIK Note Claims for any fees, expenses, disbursements and advances under the Indentures or any other agreements until all such fees, expenses, disbursements and advances are paid pursuant to the Plan or otherwise; and (iii) any indemnification obligations with respect to the Indenture Trustees under the Indentures shall survive as contingent unsecured obligations having Administrative Claim status notwithstanding the cancellation of the Indentures; *provided, however*, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order or the Plan, or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under the Plan; *provided further, however* that notwithstanding the foregoing, all mortgages, deeds of trust, Liens, pledges or other security interests shall be and are hereby deemed to be fully released and discharged in accordance with Article IX.I of the Plan, except to the extent that the Indenture Trustees may recover any amounts due to the Indenture Trustees from distributions to holders of Second Lien Note Claims and Senior PIK Note Claims, as applicable, under this Plan; *provided further, however* that notwithstanding the foregoing the

Indenture Trustees shall not be granted and shall not have any charging lien and/or priority of payment against the Debtors, the Reorganized Debtors, and/or their property, assets, or Estates.

14. Issuance of New Common Stock. Issuance of the New Common Stock in accordance with the Plan and pursuant to the Private Placement is approved. Each of the Debtors and the Reorganized Debtors are authorized and empowered, without further approval of this Court or any other party, to take such actions and to perform such acts as may be necessary, desirable or appropriate to implement the issuance of the New Common Stock in accordance with the Plan and the Private Placement and to execute and deliver all agreements, documents, securities, instruments, and certificates relating thereto. The New Common Stock to be issued is hereby deemed issued as of the Effective Date regardless of the date on which it is actually distributed. All New Common Stock issued by the Reorganized Debtors pursuant to the provisions of the Plan and the Private Placement it is hereby deemed to be duly authorized and issued, fully paid and nonassessable. Each holder of New Common Stock will be a party to, and bound by the provisions of, the Stockholders' Agreement, which is annexed to the Plans Appendix III.

15. Exemption from Registration. The (i) offer and sale by the Debtors and/or the Reorganized Debtors of the New Common Stock is issued pursuant to the Private Placement in reliance on the exemption from the registration requirements of the Securities Act and similar state statutes pursuant and subject to applicable securities law and (ii) issuance by the Reorganized Debtors of the New Common Stock pursuant to the Plan in exchange for the Second Lien Note Claims and the Senior PIK Note Claims is exempt from the registration requirements of the Securities Act and similar state statutes pursuant and subject to section 1145 of the Bankruptcy Code.

16. Exit Facilities. On the Effective Date, the Reorganized Debtors, as applicable, are authorized to (a) enter into the Exit Facilities together with all guarantees evidencing obligations of the Reorganized Debtors thereunder and security documents, (b) execute such mortgages, control agreements, certificates and other documentation and deliveries as the agents under the Exit Facilities reasonably request, and (c) deliver insurance and customary opinions (collectively, the documents in (a)-(c), the "Exit Facility Documents"), and such documents and all other documents, instruments and agreements to be entered into, delivered or contemplated thereunder shall become effective in accordance with their terms on the Effective Date. The Reorganized Debtors, as applicable, may enter into such amendments and modifications as may be agreed to by and between the Reorganized Debtors, as applicable, and the lenders and agents under the Exit Facilities on and after the Effective Date without further order of the Court to effectuate the transactions contemplated by the Plan and this Order, notwithstanding anything to the contrary in the Plan. The Exit Facility Documents shall constitute the legal, valid, binding and authorized obligations of the Reorganized Debtors, as applicable, enforceable in accordance with their terms. On the Effective Date, all of the liens and security interests granted in accordance with the Exit Facility Documents are hereby deemed approved and shall be legal, valid, binding, enforceable and non-avoidable liens on the collateral in accordance with the terms of the Exit Facility Documents. All obligations of the Reorganized Debtors arising pursuant to the Exit Facility Documents are in exchange for fair and reasonably equivalent value and do not constitute a preferential transfer or fraudulent transfer or fraudulent conveyance under applicable federal or state laws and will not subject the lenders party to the Exit Facility to any liability by reason of incurrence of such obligation or grant of such liens or

security interests under applicable federal or state laws, including but not limited to successor or transferee liability.

17. Executory Contracts and Unexpired Leases. On the Effective Date, all executory contracts or unexpired leases of the Debtors, other than any executory contract or unexpired lease that (a) was previously assumed or rejected, (b) was listed on Exhibit A to the Plan as an executory contract or unexpired lease to be rejected by the Debtors pursuant to the Plan, or (c) is subject to a pending motion to assume or reject as of the Confirmation Date, shall be deemed assumed as of the Confirmation Date (but subject to the occurrence of the Effective Date) in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code.

18. All executory contracts or unexpired leases assumed by the Debtors pursuant to the foregoing (the "Assumed Agreements") shall remain in full force and effect for the benefit of the Reorganized Debtors, as applicable, and be enforceable by the Reorganized Debtors, as applicable, in accordance with their terms notwithstanding any provision in such Assumed Agreements that purports to prohibit, restrict or condition such assumption. Any provision in the Assumed Agreements that purports to declare a breach or default based in whole or in part on the above-captioned cases is hereby deemed unenforceable, and the Assumed Agreements shall remain in full force and effect. Any postpetition lease termination agreements entered into by any of the Debtors with respect to nonresidential real property leases constitute Assumed Agreements and are hereby assumed pursuant to this Order.

19. The agreements between Debtor Vertis, Inc. and Hewlett-Packard Company ("HP") set forth in the HP Transaction Documents: HP Digital Printing Equipment and Optional Hardware to purchase the equipment described in the Exhibits A attached thereto,

which were executed by Vertis, Inc. on November 18, 2010 and by HP on November 23, 2010 (i) constitute contracts entered into after the Petition Date under Article VI.G of the Plan; (ii) will be performed by Debtor Vertis, Inc. or the Reorganized Debtor responsible thereunder in the ordinary course of said Debtor's business; and (ii) will survive and remain unaffected by the entry of this Order.

20. Deadlines. The bar dates and deadlines set forth in Articles II and VI of the Plan are hereby approved, including but not limited to the following:

(a) Rejection Damages Bar Date. All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within 30 days after the date of service of notice of such rejection by order of the Bankruptcy Court (including the Confirmation Order) approving such rejection; *provided, that* the Debtors retain the right to object to any such Claims on any grounds permitted by law, including but not limited to any caps under Bankruptcy Code section 502(b). Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates or their property. All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as Class 7 General Unsecured Claims against the applicable Debtor and shall be treated in accordance with Article III of the Plan.

(b) Claims for Accrued Professional Compensation. Professionals or other Persons asserting a Claim for Accrued Professional Compensation for services rendered before the Effective Date must file and serve on the Debtors and such other Persons who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court an application for final allowance of such Claim for Accrued Professional Compensation no later than 30 days after the Effective Date. Objections to any Claim for Accrued Professional Compensation must be filed and served on the Reorganized Debtors, the Office of the U.S. Trustee and the requesting party no later than 50 days after the Effective Date.

21. Exemption from Certain Transfer Taxes. The issuance, transfer or exchange of debt and equity under the Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any contract, lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan shall be exempt from all taxes (including, without limitation, stamp tax or similar

taxes) to the fullest extent permitted by section 1146 of the Bankruptcy Code, and the appropriate state or local governmental officials or agents shall not collect any such tax or governmental assessment and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

Discharge of Debtors, Releases and Injunctions

22. Discharge of Debtors. Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or in this Confirmation Order, the distributions, rights and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release and discharge, effective as of the Effective Date, of all Claims, Interests and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Interest based upon such Claim, debt, right or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such Claim, debt, right or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the holder of such a Claim or Interest has accepted the Plan. Except as otherwise provided herein, any default by the Debtors or their Affiliates with respect to any Claim or Interest that existed before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of

the discharge of all Claims and Interests subject to the Effective Date occurring, except as otherwise expressly provided in the Plan. Notwithstanding anything to the contrary in the foregoing or in the Plan, the releases and discharges set forth above do not release or discharge post-Effective Date claims or obligations of any party arising under the Plan or any document, instrument, or agreement (including, but not limited to, the Equity Commitment Agreement, the Avenue Backstop Agreement and those other documents, instruments and agreements set forth in the Plan Supplement) executed to implement the Plan.

23. Releases, Limitations of Liability and Indemnification. The releases set forth in Article IX.B and IX.C of the Plan, as Article IX.C is modified by this Order, the exculpation and limitation of liability provisions set forth in Article IX.D of the Plan, as Article IX.D is modified by this Order, and the indemnification obligations set forth in Article V.Q of the Plan are incorporated in this Confirmation Order as if set forth in full herein and are hereby approved and authorized in their entirety and shall be, and hereby are, effective and binding, subject to the respective terms thereof, on all persons and entities who may have had standing to assert released Claims or Causes of Action, and no person or entity shall possess such standing to assert such Claims or Causes of Action after the Effective Date.

24. The proviso set forth in Article IX.C of the Plan is hereby modified as follows: "*provided, however* that this Article IX.C shall not release the Debtors, the Reorganized Debtors and the Released Parties from any direct claims that are not derivative of the liability of the Debtors, or any Cause of Action held by a governmental entity existing as of the Effective Date based on (i) the Internal Revenue Code or other domestic state, city, or municipal tax code, (ii) the environmental laws of the United States or any domestic state, city or municipality, (iii) any criminal laws of the United States or any domestic state, city, or municipality, (iv) the

Securities and Exchange Act of 1934 (as now in effect or hereafter amended), the Securities Act of 1933 (as now in effect or hereafter amended), or other securities laws of the United States or any domestic state, city or municipality, (v) the Employee Retirement Income Security Act of 1974, as amended, or (vi) the laws and regulations of the Bureau of Customs and Border Protection of the United States Department of Homeland Security."

25. Injunctions. Except as otherwise specifically provided in the Plan and except as may be necessary to enforce or remedy a breach of the Plan, from and after the Effective Date, (i) all Persons are permanently enjoined from commencing or continuing in any manner, any cause of action released or to be released pursuant to the Plan or the Confirmation Order; (ii) to the extent of the releases and exculpation granted in Article IX of the Plan, the Releasing Parties shall be permanently enjoined from commencing or continuing in any manner against the Released Parties and the Exculpated Parties and their assets and properties, as the case may be, any suit, action or other proceeding, on account of or respecting any claim, demand, liability, obligation, debt, right, cause of action, interest or remedy released or to be released pursuant to Article IX of the Plan; (iii) except as otherwise expressly provided in the Plan, the Plan Supplement or related documents, or for obligations issued pursuant to the Plan, all Persons who have held, hold or may hold Claims or Interests that have been released pursuant to Article IX.B or Article IX.C of the Plan, discharged pursuant to Article IX.E, or are subject to exculpation pursuant to Article IX.D, are permanently enjoined, from and after the Effective Date, from taking any of the following actions: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (2) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against such Persons on account of or in connection

with or with respect to any such Claims or Interests; (3) creating, perfecting or enforcing any encumbrance of any kind against such Persons or the property or estate of such Persons on account of or in connection with or with respect to any such claims or interests; and (4) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released, settled or discharged pursuant to the Plan.

26. Exculpations. Except as otherwise specifically provided in the Plan or Plan Supplement, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from, any Exculpated Claim, obligation, cause of action or liability for any Exculpated Claim, except for gross negligence or willful misconduct (to the extent such duty is imposed by applicable non-bankruptcy law), but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Debtors and the Reorganized Debtors (and each of their respective Affiliates, agents, directors, officers, employees, advisors and attorneys) have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of the Plan securities pursuant to the Plan, and are entitled to the benefit of the exculpation provisions set forth in Article IX.D of the Plan, as modified by this Order. Notwithstanding anything to the contrary in the Plan, the exculpation provisions set forth in Article IX.D of the Plan, as modified by this Order, shall apply only with respect to acts and/or omissions taking place up to and including the Effective Date.

27. All injunctions or stays in effect in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the

Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions, stays or exculpation provisions contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

Plan Modifications

28. Plan Modifications. The modifications to the Initial Plan, which changes are incorporated in the Plan, were made in a manner consistent with Article XI of the Plan and did not materially or adversely modify the treatment of any Claims or Interests. The Plan, as modified, satisfies the requirements of Bankruptcy Code sections 1122 and 1123. Accordingly, pursuant to Bankruptcy Rule 3019, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan. Such changes are approved pursuant to section 1127(a).

29. In addition, the following modifications to the Plan have been made in a manner consistent with Article XI of the Plan and do not materially adversely modify the treatment of any Claims or Interests. The Plan, as modified, satisfies the requirements of Bankruptcy Code sections 1122 and 1123. Accordingly, pursuant to Bankruptcy Rule 3019, these modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Plan.

30. TCW Shared Opportunity Fund V, L.P. and TCW Shares Opportunity Fund IVB, L.P. ("TCW") filed an objection to confirmation of the Plan. TCW has agreed to withdraw that objection with prejudice based upon the Plan being deemed modified (by this paragraph) to provide that in satisfaction of the Consulting Agreement Claims (as defined in the Plan) and any other Claims that have been or could be asserted by TCW (other than Claims held by TCW in Class 3 and Class 6 of the Plan, which shall be entitled to the treatment provided for such Claims under the Plan), TCW shall have an Allowed General Unsecured Claim in the amount of $197,665.42 and shall receive from the Debtors, on the Effective Date, payment in Cash in an amount of $197,665.42. The Court approves modification of the Plan in the manner set forth in this paragraph. In the event that there is determined to be any inconsistency between this paragraph and any Plan provision or provision of this Confirmation Order, this paragraph shall govern and shall be deemed a modification of the Plan and shall control and take precedence.

31. Additionally, at the request of the Debtors, the Plan is hereby modified pursuant to section 1127(a) of the Bankruptcy Code as set forth below:

(a) Article VI.B of the Plan is hereby modified in its entirety to read: "All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within 30 days after the date of service of notice of such rejection by order of the Bankruptcy Court (including the Confirmation Order) approving such rejection; *provided, that* the Debtors retain the right to object to any such Claims on any grounds permitted by law, including but not limited to any caps under Bankruptcy Code section 502(b). Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not filed with the Bankruptcy Court within such time will be

automatically disallowed, forever barred from assertion and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates or their property. "

(b) Article III.C.7 of the Plan is hereby modified to include the following sentence: "Notwithstanding anything to the contrary in Article III.C.7 of the Plan, neither the Plan nor this Confirmation Order relieves Vertis, Inc. from any obligations or liens for ad valorem taxes due and owing to the Carrollton-Farmers Branch Independent School District ("CFBISD") or to Dallas County for the 2010 tax year or for any subsequent period. CFBISD and Dallas County shall have all rights and remedies available to them under applicable law in the event of Vertis, Inc.'s default with respect to such obligations. Furthermore, notwithstanding anything to the contrary in Article III.C.7 of the Plan, neither the Plan nor this Confirmation Order relieves Vertis Holdings from any obligations or liens for ad valorem taxes due and owing to the Judson Independent School District ("Judson ISD") or to Bexar County for the 2010 tax year or for any subsequent period. Judson ISD and Bexar County shall have all rights and remedies available to them under applicable law in the event of Vertis Holdings' default with respect to such obligations."

Notice and Other Provisions

32. Notice of Confirmation Order. On or before the fifth (5th) day following the occurrence of the Effective Date, the Debtors shall serve notice of entry of this Confirmation Order pursuant to Bankruptcy Rules 2002(f)(7), 2002(k), and 3020(c), on (a) the United States Trustee for the Southern District of New York; (b) the United States Attorney for the Southern District of New York; (c) the Federal Reserve; (d) the Securities and Exchange Commission; (e) the Internal Revenue Service; (f) the parties listed in the consolidated list of twenty (20) largest unsecured creditors filed by the Debtors in these bankruptcy cases, or if any official committee of unsecured creditors has been appointed, counsel to such committee; (g) counsel to any other

official committee appointed in these bankruptcy cases; (h) counsel to General Electric Capital Corporation, the agent for the Prepetition Revolving Credit Facility and the postpetition lender; (i) counsel to Ableco Finance LLC, the agent for the Prepetition Term Loan Facility; (j) counsel to Avenue Investments, L.P.; (k) counsel to the second lien lender group; (l) counsel to the Indenture Trustees; and (m) other parties in interest, by causing a notice of this Confirmation Order in substantially the form of the notice annexed hereto as Exhibit B (the "Notice of Confirmation"), which form is hereby approved, to be delivered to such parties by first class mail, postage prepaid. The Notice of Confirmation shall also be published in The Wall Street Journal (Global Edition) and any other publications the Debtors deem necessary in their sole discretion.

33. Notice need not be given or served under the Bankruptcy Code, the Bankruptcy Rules, or this Confirmation Order to any Person to whom the Debtors mailed a Combined Notice, but received such notice returned marked "undeliverable as addressed," "moved - left no forwarding address," "forwarding order expired," or similar reason, unless the Debtors have been informed in writing by such Person of that Person's new address.

34. Mailing and publication of the Notice of Confirmation in the time and manner set forth in the preceding paragraphs shall be good and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c), and no other or further notice is necessary. The Notice of Confirmation shall have the effect of an order of the Bankruptcy Court, shall constitute sufficient notice of the entry of the Confirmation Order to any filing and recording officers, and shall be a recordable instrument notwithstanding any contrary provision of applicable non-bankruptcy law.

35. Failure to Consummate Plan and Substantial Consummation. If the Effective Date does not occur, then the Plan, any settlement or compromise embodied in the Plan

(including the fixing or limiting to an amount certain any Claim or Class of Claims), the assumption or rejection of executory contracts or unexpired leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be null and void. In such event, nothing contained in the Plan or this Confirmation Order, and no acts taken in preparation for consummation of the Plan, shall, or shall be deemed to, (a) constitute a waiver or release of any Claims by or against or Interests in the Debtors or any other Person, (b) prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors, (c) constitute an admission of any sort by the Debtors or any other Person, or (d) be construed as a finding of fact or conclusion of law with respect thereto.

36. References to Plan Provisions. The failure to include or specifically reference any particular provision of the Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Plan be confirmed in its entirety.

37. Exhibits. Each reference to a document, agreement or summary description that is in the form attached as an exhibit to the Plan in this Confirmation Order, or in the Plan shall be deemed to be a reference to such document, agreement or summary description in substantially the form of the latest version of such document, agreement or summary description filed with the Court (whether filed as an attachment to the Plan or filed separately).

38. Plan Provisions Mutually Dependent. The provisions of the Plan are hereby deemed nonseverable and mutually dependent.

39. Confirmation Order Provisions Mutually Dependent. The provisions of this Confirmation Order are hereby deemed nonseverable and mutually dependent.

40. Confirmation Order Supersedes. It is hereby ordered that this Confirmation Order shall supersede any orders of this Court issued prior to the Confirmation Date that may be inconsistent with this Confirmation Order.

41. Conflicts Between Confirmation Order and Plan. The provisions of the Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; provided, however, that if there is determined to be any inconsistency between any Plan provision and any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern and any such provision of this Confirmation Order shall be deemed a modification of the Plan and shall control and take precedence.

42. Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding the entry of this Confirmation Order or the occurrence of the Effective Date, this Court, except as otherwise provided in the Plan or herein, shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, but not limited to, the matters set forth in Article XII of the Plan. From and after the Effective Date, the Court does not have or retain jurisdiction over the Exit Facilities or any disputes that may arise among the parties thereto.

43. Final Order. This Confirmation Order is intended to be a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

44. Immediate Effectiveness. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, 8001, 8002 or otherwise, immediately upon the entry of this Confirmation Order, the terms of the Plan, the Plan Supplement, and this Confirmation Order shall be, and hereby are, immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized

Debtors, any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are Impaired under the Plan or whether the holders of such Claims or Interests accepted, were deemed to have accepted, rejected or were deemed to have rejected the Plan), any trustees or examiners appointed in the Chapter 11 Cases, all persons and entities that are party to or subject to the settlements, compromises, releases, discharges, injunctions, stays and exculpations described in the Plan or herein, each person or entity acquiring property under the Plan, and any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors and the respective heirs, executors, administrators, successors or assigns, affiliates, officers, directors, agents, representatives, attorneys, beneficiaries, or guardians, if any, of any of the foregoing. The Debtors are authorized to consummate the Plan at any time after the entry of the Confirmation Order subject to satisfaction or waiver of the conditions precedent to consummation set forth in Article X.B of the Plan.

Dated: New York, New York
December 16, 2010

/s/ Allan L. Gropper
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A
Amended Joint Prepackaged Chapter 11 Plan of Vertis Holdings, Inc. et al.

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Proposed Counsel to the Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	
	)	Chapter 11
VERTIS HOLDINGS, INC., et al.,[1]	)	Case No. 10-16170 (ALG)
Debtors.	)	Joint Administration Requested

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

Dated: December 9, 2010

[1] 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); and Webcraft Chemicals, LLC (6726).

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INTRODUCTION

Vertis Holdings, Inc., Vertis, Inc., ACG Holdings, Inc., Webcraft, LLC, American Color Graphics, Inc., and Webcraft Chemicals, LLC, respectfully propose the following joint chapter 11 plan of reorganization. Capitalized terms used in the Plan (as defined below) and not otherwise defined shall have the meanings ascribed to such terms in Article I.A hereof.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

A. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form:

1. ''*Accredited Investor*" means an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act.

2. ''*Accrued Professional Compensation*" means, at any given moment, all accrued, contingent and/or unpaid fees (including success fees) for legal, financial advisory, accounting and other services and obligations for reimbursement of expenses rendered or incurred before the Effective Date that are awardable and allowable under sections 328, 330(a) or 331 of the Bankruptcy Code by any retained Professional in the Chapter 11 Cases, or that are awardable and allowable under section 503 of the Bankruptcy Code, that the Bankruptcy Court has not denied by a Final Order, all to the extent that any such fees and expenses have not been previously paid. To the extent that the Bankruptcy Court or any higher court denies or reduces by a Final Order any amount of a professional's fees or expenses, then those reduced or denied amounts shall no longer constitute Accrued Professional Compensation. For the avoidance of doubt, Accrued Professional Compensation shall not include any accrued, contingent and/or unpaid fees for services and obligations for reimbursement of expenses rendered or incurred before the Effective Date by any Person retained pursuant to the Ordinary Course Professional Order and authorized to be compensated thereunder without filing a fee application.

3. ''*Administrative Claim*" means a (1) Claim for payment of costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses Allowed pursuant to sections 328, 330(a), 331 or 363 of the Bankruptcy Code or otherwise for the period commencing on the Petition Date and through the Effective Date; (c) all fees and charges assessed against the Estates pursuant to chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1-4001; and (d) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4) and (5) of the Bankruptcy Code; and (2) the Indenture Trustee Claims, without any requirement for filing fee applications in the Chapter 11 Cases.

4. ''*Affiliate*" has the meaning set forth in section 101(2) of the Bankruptcy Code.

5. ''*Allowed*" means, with respect to a Claim within a particular Class, an Allowed Claim of the type described in such Class.

6. ''*Allowed Claim*" means a Claim (i) as to which no objection or request for estimation has been filed on or before the Claims Objection Bar Date or the expiration of such other applicable period fixed by the Bankruptcy Court or the Plan; (ii) as to which any objection has been settled, waived, withdrawn or denied by a Final Order or in accordance with the Plan; or (iii) that is allowed (a) by a Final Order, (b) by an agreement between the holder of such Claim and the Debtors or the Reorganized Debtors or (c) pursuant to the terms of the Plan; *provided, however*, that, notwithstanding anything herein to the contrary, by treating a Claim as an ''Allowed Claim" under (i) above

(the expiration of the Claims Objection Bar Date or other applicable deadline), the Debtors do not waive their rights to contest the amount and validity of any disputed, contingent and/or unliquidated Claim in the time, manner and venue in which such Claim would have been determined, resolved or adjudicated if the Chapter 11 Cases had not been commenced. An Allowed Claim (i) includes a Disputed Claim to the extent such Disputed Claim becomes Allowed after the Effective Date and (ii) shall be net of any valid setoff exercised with respect to such Claim pursuant to the provisions of the Bankruptcy Code and applicable law. Unless otherwise specified herein, in section 506(b) of the Bankruptcy Code or by Final Order of the Bankruptcy Court, ‘‘Allowed Claim" shall not, for purposes of distributions under the Plan, include interest on such Claim accruing from and after the Petition Date.

7. ‘‘*Avenue*" means, collectively, and together with their affiliates, Avenue Investments, L.P., Avenue-CDP Global Opportunities Fund, L.P., Avenue International Master, L.P., Avenue Special Situations Fund IV, L.P. and Avenue Special Situations Fund V, L.P.

8. ‘‘*Avenue Backstop Agreement*" means that certain commitment agreement executed between the Debtors and Avenue in connection with the Exit Facility, which is attached as Appendix I hereto.

9. ‘‘*Avoidance Actions*" means causes of action or rights arising under sections 510(c), 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code, as defined in Article V.

10. ‘‘*Backstop Fee*" means the fee, paid in shares of New Common Stock, payable to the Backstop Purchasers under the Equity Commitment Agreement.

11. ‘‘*Backstop Purchasers"* means the parties to the Equity Commitment Agreement other than Avenue, collectively, and together with their affiliates.

12. ‘‘*Bankruptcy Code*" means title 11 of the United States Code, as amended from time to time.

13. ‘‘*Bankruptcy Court*" means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Cases or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court for the Southern District of New York.

14. ‘‘*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of title 28 of the United States Code, 28 U.S.C. §§ 1-4001, as well as the general and local rules of the Bankruptcy Court.

15. ‘‘*Cash*" means legal tender of the United States of America or the equivalent thereof.

16. ‘‘*Causes of Action*" means any action, proceeding, agreement, claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. Causes of Action also include: (a) any right of setoff, counterclaim or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any state law fraudulent transfer claim; and (f) any claim listed in the Plan Supplement.

17. ‘‘*Chapter 11 Cases*" means (a) when used with reference to a particular Debtor, the chapter 11 case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court under Case No. 10-16170 (ALG).

18. "*Claim*" means any claim against a Debtor as defined in section 101(5) of the Bankruptcy Code.

19. "*Claims Objection Bar Date*" means, for each Claim, the latest of (a) the date that is one hundred and eighty (180) days after the Effective Date, (b) as to a particular Claim, 180 days after the filing of a Proof of Claim, or request for payment of such Claim, and (c) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for objecting to Claims.

20. "*Class*" means a category of holders of Claims or Interests as set forth in Article III.

21. "*Collateral*" means any property or interest in property of the Estate subject to a lien or security interest to secure the payment or performance of a Claim, which lien or security interest is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable law.

22. "*Company*" means, collectively, Vertis Holdings, Inc., and each of its direct and indirect affiliates and subsidiaries, including Vertis, Inc., the Subsidiary Debtors and Non-Debtor Affiliates.

23. "*Confirmation*" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

24. "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

25. "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court on Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

26. "*Confirmation Order*" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, which order shall be reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers.

27. "*Consulting Agreements*" means collectively (i) the Advisory Services Agreement, dated as of October 17, 2008, by and among, Vertis, Inc., Vertis Holdings, Inc., certain Vertis subsidiaries signatory thereto, and Avenue Investments, L.P.; (ii) the Advisory Services Agreement, dated as of October 17, 2008, by and among, Vertis, Inc., Vertis Holdings, Inc., certain Vertis subsidiaries signatory thereto, TCW Shared Opportunity Fund V, L.P. and TCW Shared Opportunity Fund IVB, L.P., which Advisory Services Agreement terminated on or about January 7, 2010; (iii) the Advisory Services Agreement, dated as of October 17, 2008, by and among, Vertis, Inc., Vertis Holdings, Inc., certain Vertis subsidiaries signatory thereto and Goldman, Sachs & Co., which Advisory Services Agreement terminated on or about January 7, 2010; and (iv) the Advisory Services Agreement, dated as of April 29, 2010, by and among Vertis, Inc., Vertis Holdings, Inc., TCW Shared Opportunity Fund V, L.P. and TCW Shared Opportunity Fund IVB, L.P.

28. "*Consulting Agreement Claim*" means a Claim on account of a Consulting Agreement, including on account of the rejection and/or termination of a Consulting Agreement.

29. "*Consummation*" means the occurrence of the Effective Date.

30. "*Corporate Governance Documents*" means the certificates of incorporation, certificates of formation, limited liability agreements and by-laws of the Debtors and the Reorganized Debtors.

31. "*Creditors' Committee*" means any statutory committee of unsecured creditors of the Debtors appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee, as such committee membership may be reconstituted from time to time.

32. "*Cure*" means the payment of Cash by the Debtors, or the distribution of other property (as the parties may agree or the Bankruptcy Court may order), as necessary to cure defaults under an executory contract or unexpired lease of one or more of the Debtors and to permit the Debtors to assume that contract or lease under section 365(a) of the Bankruptcy Code.

33. "*D&O Liability Insurance Policies*" means all insurance policies of any of the Debtors for directors', managers' and officers' liability.

34. "*Debtor*" means one of the Debtors, in its individual capacity as a debtor and debtor-in-possession in these Chapter 11 Cases.

35. "*Debtors*" means, collectively: Vertis Holdings, Inc., Vertis, Inc., ACG Holdings, Inc., Webcraft, LLC, American Color Graphics, Inc., and Webcraft Chemicals, LLC.

36. "*DIP Agent*" means the agent, if any, named in the DIP Loan Agreement.

37. "*DIP Claims*" means any Claim derived from or based upon the DIP Loan Agreement.

38. "*DIP Facility*" means the credit facility or facilities established pursuant to the DIP Loan Agreement.

39. "*DIP Lenders*" means the banks, financial institutions and other lender parties to the DIP Loan Agreement from time to time, each in their capacity as such.

40. "*DIP Loan Agreement*" means the credit agreement and related security agreements, mortgages and similar documents governing the DIP Facility by and between the Debtors and the DIP Lenders.

41. "*Disbursing Agent*" means the Reorganized Debtors or the Person or Persons chosen by the Reorganized Debtors to make or facilitate distributions pursuant to the Plan.

42. "*Disclosure Statement*" means the written disclosure statement that relates to the Plan, as amended, supplemented or modified from time to time, embodied in the Offering Memorandum and that is prepared and distributed in accordance with section 1125 of the Bankruptcy Code and Bankruptcy Rule 3018, which shall be reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers.

43. "*Disputed*" means, with respect to any Claim or Interest, any Claim or Interest that is not yet Allowed.

44. "*Distribution Date*" means the date, occurring as soon as practicable after the Effective Date, on which the Disbursing Agent first makes distributions to holders of Allowed Claims as provided in Article VII of the Plan and any date thereafter on which the Disbursing Agent makes distributions to holders of Allowed Claims as provided in Article VII of the Plan.

45. "*Distribution Record Date*" means the date that the Confirmation Order is entered by the Bankruptcy Court.

46. "*DTC*" means the Depositary Trust Company.

47. "*Effective Date*" means the first business day after which all provisions, terms and conditions specified in Article X.B have been satisfied or waived pursuant to Article X.C.

48. "*ERISA*" has the meaning set forth in Article V.H. hereof.

49. "*Eligible Holder*" means a holder of an Allowed Second Lien Note Claim who is an Accredited Investor as of the Private Placement Record Date.

50. "*Estate*" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

51. "*Equity Commitment Agreement*" means that certain Equity Commitment Agreement, dated as of October, 2010, by and between Vertis Holdings, Inc., Vertis, Inc., the additional company parties set forth therein, and the backstop parties set forth therein, as may be amended, restated, supplemented or otherwise modified from time to time, and which shall be reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers, which is attached as Appendix II hereto.

52. "*Exchange Offers*" means those certain offers to exchange Second Lien Notes and Senior PIK Notes for common stock pursuant to the Offering Memorandum.

53. "*Exculpated Claim*" means any claim related to any act or omission in connection with, relating to or arising out of the Debtors' in or out of court restructuring efforts, the Debtors' Chapter 11 Cases, formulation, preparation, dissemination, negotiation or filing of the Disclosure Statement or the Plan or any contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Plan securities, or the distribution of property under the Plan or any other related agreement; *provided*, *however*, that Exculpated Claims shall not include any act or omission that is determined in a Final Order to have constituted gross negligence, willful misconduct or fraud to the extent imposed by applicable non-bankruptcy law. For the avoidance of doubt, no Cause of Action, obligation or liability expressly set forth in or preserved by the Plan or the Plan Supplement constitutes an Exculpated Claim.

54. "*Exculpated Party*" means each of: (a) the Debtors, the Reorganized Debtors and their Affiliates; (b) the current and former directors and officers of the Debtors; (c) the Creditors' Committee, if any, and the current and former members thereof, in their capacity as such; (d) Avenue; (e) the Backstop Purchasers; (f) the lender(s), arranger(s) and agent(s) under each of (i) the New Term Loan Agreement, (ii) the New Revolving Credit Agreement, (iii) the Exit Credit Facility Agreement, and (iv) the DIP Loan Agreement, in each case except to the extent provided otherwise in the Confirmation Order; (g) the Prepetition Revolving Loan Agent, except to the extent provided otherwise in the Confirmation Order; (h) the Prepetition Term Loan Agent, except to the extent provided otherwise in the Confirmation Order; (i) holders of Second Lien Note Claims that voted to accept the Plan; (j) holders of Senior PIK Note Claims that voted to accept the Plan; (k) the Indenture Trustees; and (l) with respect to each of the foregoing Persons in clauses (a) through (k), such Persons' subsidiaries, affiliates, members, officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners, affiliates and representatives, in each case only in their capacity as such.

55. "*Exculpation*" means the exculpation provision set forth in Article IX.D hereof.

56. "*Executory Contract*" means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

57. "*Exit Credit Facility Agreement*" means one or more financing agreements to be executed by the Reorganized Debtors on or before the Effective Date, providing for (a) the New Term Loan and (b) the New Revolving Credit Facility including any agreements, amendments, modifications or supplements or documents related thereto, the substantially final form of which shall be acceptable to the Debtors, Avenue and the Backstop Purchasers and filed as part of the Plan Supplement.

58. "*Exit Financing*" means any exit financing provided to the Reorganized Debtors on the Effective Date pursuant to the Exit Credit Facility Agreement.

59. "*Final Order*" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction, which has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

60. "*General Unsecured Claims*" means any Unsecured Claim against any Debtor, unless such Claim is: (a) an Intercompany Claim, (b) an Administrative Claim, (c) a Priority Tax Claim, (d) an Other Priority Claim, (e) a Claim Accrued for Professional Compensation, (f) a Senior PIK Note Claim, (g) a Subordinated 501(b) Claim, or (h) a deficiency claim of Other Secured Claims.

61. "*Impaired*" means any Claim or Interest in an Impaired Class.

62. "*Impaired Class*" means a Class that is impaired within the meaning of section 1124 of the Bankruptcy Code. For the avoidance of doubt, Impaired Classes are Classes 4, 6, 9 and 10.

63. "*Indemnification Provisions*" means each of the indemnification provisions, agreements or obligations in place as of the Petition Date, whether in the bylaws, certificates of incorporation or other formation documents in the case of a limited liability company, board resolutions or employment contracts, for the Debtors and the current directors, officers, members (including ex officio members), employees, attorneys, other professionals and agents of the Debtors.

64. "*Indemnified Parties*" means, collectively, any Debtor and current and former director, officer, member (including ex officio members), employee, attorney, other professional and agent of the Debtors who are beneficiaries of Indemnification Provisions.

65. "*Indenture Trustee Claims*" means together, the Second Lien Notes Indenture Trustee Claims and the Senior PIK Notes Indenture Trustee Claims.

66. "*Indenture Trustees*" means, collectively, the Second Lien Notes Indenture Trustee and the Senior PIK Notes Indenture Trustee.

67. "*Indentures*" means, collectively, the Second Lien Notes Indenture and the Senior PIK Notes Indenture.

68. "*Insurance Policies*" means, collectively, all of the Debtors' insurance policies.

69. "*Intercompany Claim*" means (a) any Claim held by a Debtor against another Debtor or (b) any Claim held by or against a Debtor or by or against a Non-Debtor Affiliate that is a direct or indirect subsidiary of Vertis Holdings.

70. "*Intercompany Interest*" means any Interest held by a Debtor or an Affiliate.

71. "*Interest*" means any equity security in a Debtor as defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized or outstanding shares of capital stock of the Debtors together with any warrants, options or contractual rights to purchase or acquire such equity securities at any time and all rights arising with respect thereto.

72. "*Interim Compensation Order*" means the Order Under 11 U.S.C. §§ 105(a) and 331, Fed. R. Bankr. P. 2016 and S.D.N.Y. LBR 2016-1 Establishing Procedures For Interim Compensation and Reimbursement of Expenses of Professionals.

73. "*Lien*" has the meaning set forth in section 101(37) of the Bankruptcy Code.

74. "*Management Incentive Plan*" shall have the meaning set forth in Article V.I.

75. "*New Board*" means, with respect to each Reorganized Debtor, the initial board of directors or managers, as applicable, of such Person appointed as of the Effective Date, the members of which shall be determined in accordance with Article V.F.

76. "*New Common Stock*" means 40,000,000 of common shares in the capital of Reorganized Vertis Holdings, Inc. authorized pursuant to the Plan, of which up to 18,000,000 shares shall be initially issued and outstanding as of the Effective Date.

77. "*New Employment Agreements*" means employment agreements that the Debtors may enter into with certain individuals in the Debtors' senior management, the form of which shall be included in the Plan Supplement and shall be reasonably acceptable to the parties thereto, Avenue and the Backstop Purchasers.

78. "*New Term Loan*" shall have the meaning set forth in Article III.C.3.

79. "*New Term Loan Agreement*" means the financing agreement to be executed by the Reorganized Debtors on or before the Effective Date, providing for the New Term Loan, including any agreements, amendments, modifications or supplements or documents related thereto, the substantially final form of which shall be acceptable to the Debtors, Avenue and the Backstop Purchasers and filed as part of the Plan Supplement.

80. "*New Revolving Credit Facility*" means the Reorganized Debtors' new asset-based revolving credit facility of no more than $175 million (plus a $25 million accordion facility).

81. "*New Revolving Credit Agreement*" means the revolving credit agreement to be executed by, among others, the Reorganized Debtors as borrower thereunder, and General Electric Capital Corporation as administrative agent thereunder, on or before the Effective Date, providing for the New Revolving Credit Facility, including any agreements, amendments, modifications or supplements or documents related thereto, the substantially final form of which shall be acceptable to the Debtors, Avenue and the Backstop Purchasers and filed as part of the Plan Supplement.

82. "*New Stockholders' Agreement*" means that certain New Stockholders' Agreement, as may be amended, restated, supplemented or otherwise modified from time to time, and which shall be reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers, in substantially the form set forth as Appendix III hereto.

83. "*Non-Debtor Affiliate*" means any Affiliate of the Debtors that is not a Debtor in the Chapter 11 Cases.

84. "*Offering Memorandum*" means that certain document entitled Amended Confidential Offering Memorandum, Consent Solicitation, Private Placement and Disclosure Statement Soliciting Acceptances of a Prepackaged Plan of Reorganization, dated November 1, 2010.

85. "*Ordinary Course Professional Order*" means the Order Pursuant to 11 U.S.C. §§ 105(a), 327, 330 and 331 Authorizing Retention and Compensation of Professionals Utilized by Debtors in Ordinary Course of Business.

86. "*Other Priority Claim*" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than: (a) an Administrative Claim or (b) a Priority Tax Claim.

87. "*Other Secured Claims*" means any Secured Claim against a Debtor other than a Term Loan Claim, Revolving Loan Claim or Second Lien Note Claim.

88. "*Pension Plans*" has the meaning set forth in Article V.H hereof.

89. "*Person*" has the meaning set forth in section 101(41) of the Bankruptcy Code.

90. "*Petition Date*" means the date on which the Debtors filed their petitions for reorganization relief in the Bankruptcy Court.

91. "*Plan*" means this Joint Chapter 11 Plan of Vertis Holdings, Inc., et al., including the Plan Supplement, all exhibits, appendices and schedules hereto, which are incorporated herein by reference, in either present form or as may be further amended, restated, supplemented or otherwise modified from time to time in accordance with the Bankruptcy Code and the Bankruptcy Rules, in each case reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers.

92. "*Plan Supplement*" means the compilation of documents and forms of documents, schedules and exhibits to the Plan to be filed by the Debtors and in each case reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers, including any exhibits and appendices to the Plan to the extent not already appended and attached, and including to the extent known, the identity of the members of the New Boards of each of the Reorganized Debtors, as well as the nature and amount of compensation for any member of a New Board who is an "insider" under section 101(31) of the Bankruptcy Code.

93. "*Prepetition Revolving Loan Agent*" means General Electric Capital Corporation in its capacity as administrative agent under the Prepetition Revolving Loan Credit Agreement, or any successor agent thereunder.

94. "*Prepetition Revolving Loan Credit Agreement*" means that certain Senior Secured Credit Agreement dated October 17, 2008, as amended, restated, supplemented or otherwise modified as of the date hereof, by and among Vertis, Inc., as borrower, Vertis Holdings, Inc. and certain of its subsidiaries listed as credit parties thereto, the Prepetition Revolving Loan Agent, and the financial institutions party thereto as lenders.

95. "*Prepetition Term Loan Agent*" means Ableco Finance LLC in its capacity as administrative agent under the Prepetition Term Loan Credit Agreement, or any successor agent thereunder.

96. "*Prepetition Term Loan Credit Agreement*" means that certain Term Loan Credit Agreement dated October 17, 2008, as amended, restated, supplemented or otherwise modified as of the date hereof, by and among Vertis, Inc., as borrower, Vertis Holdings, Inc. and certain of its subsidiaries listed as guarantors thereto, the Prepetition Term Loan Agent, and the financial institutions party thereto as lenders.

97. "*Priority Tax Claim*" means any Claim of a governmental unit, as defined in section 101(27) of the Bankruptcy Code, of the kind specified in section 507(a)(8) of the Bankruptcy Code.

98. *"Priority Non-Tax Claim"* means a Claim entitled to priority under section 507(a) of the Bankruptcy Code other than a DIP Claim, an Administrative Claim or a Priority Tax Claim.

99. "*Private Placement*" means the offering made pursuant to the Offering Memorandum of up to $100.0 million in aggregate amount of New Common Stock, which amount may be reduced as set forth in Article V.M hereof (i) to each Eligible Holder on a Pro Rata basis and (ii) to the extent less than the full Private Placement Amount of New Common Stock is issued to the Eligible Holders, to Avenue and the Backstop Purchasers.

100. "*Private Placement Amount*" means up to $100.0 million, which amount may be reduced as set forth in Article V.M hereof.

101. "*Private Placement Offered Shares*" means 10,000,000 shares of New Common Stock offered in connection with the Private Placement, which amount may be reduced as set forth in Article V.M hereof, subject to certain conditions.

102. "*Private Placement Record Date*" means the Voting Deadline.

103. "*Private Placement Reduction*" has the meaning set forth in Article V.M.4 hereof.

104. "*Pro Rata*" means, as applicable, the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of all Allowed Claims in that Class, or the proportion that all Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in such Class and other Classes entitled to share in the same recovery under the Plan.

105. "*Professional*" means a Person: (a) retained pursuant to an order of the Bankruptcy Court in accordance with sections 327, 363 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, 363 or 331 of the Bankruptcy Code, or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

106. "*Proof of Claim*" means any proof of Claim filed against any of the Debtors in the Chapter 11 Cases.

107. "*Reinstate*," "*Reinstated" or ''Reinstatement*" means (i) leaving unaltered the legal, equitable and contractual rights to which a Claim entitles the holder of such Claim so as to leave such Claim unimpaired in accordance with section 1124 of the Bankruptcy Code or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default, (a) curing any such default that *occurred* before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (b) reinstating the maturity of such Claim as such maturity existed before such default; (c) compensating the holder of such Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (d) not otherwise altering the legal, equitable or contractual rights to which such Claim entitles the holder of such Claim; *provided*, *however*, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, and affirmative covenants regarding corporate existence, prohibiting certain transactions or actions contemplated by the Plan, or conditioning such transactions or actions on certain factors, shall not be required to be reinstated in order to accomplish Reinstatement and shall be deemed cured on the Effective Date.

108. "*Rejection Claim*" means a Claim arising from the rejection of an Executory Contract or Unexpired Lease pursuant to section 365 of the Bankruptcy Code.

109. "*Releasing Parties*" means all Persons who have held, hold or may hold Claims or Interests that have been released pursuant to Article IX.B or Article IX.C, discharged pursuant to Article IX.E or are subject to exculpation pursuant to Article IX.D.

110. "*Released Party*" means each of: (a) the Debtors, the Reorganized Debtors and their Affiliates; (b) the current and former directors and officers of the Debtors; (c) the Creditors' Committee, if any, and the current and former members thereof, in their capacity as such; (d) Avenue; (e) the Backstop Purchasers; (f) the lender(s), arranger(s) and agent(s) under each of (i) the New Term Loan Agreement, (ii) the New Revolving Credit Agreement, (iii) the Exit Credit Facility Agreement, and (iv) the DIP Loan Agreement, in each case except to the extent provided otherwise in the Confirmation Order; (g) the Prepetition Revolving Loan Agent, except to the extent provided otherwise in the Confirmation Order; (h) the Prepetition Term Loan Agent, except to the extent provided otherwise in the Confirmation Order; (i) holders of Second Lien Note Claims that voted to accept the Plan; (j) holders of Senior PIK Note Claims that voted to accept the Plan; (k) the Indenture Trustees; and (l) with respect to each of the foregoing Persons in clauses (a) through (k), such Persons' subsidiaries, affiliates, members, officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners, affiliates and representatives, in each case only in their capacity as such.

111. "*Reorganized*" means, with respect to the Debtors, any Debtor or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

112. "*Revolving Loan Claims*" means any Claim arising under or in connection with the Prepetition Revolving Loan Credit Agreement, including any Claims on account of Vertis Holdings' or the Subsidiary Debtors' guarantee of Vertis' obligations arising under or in connection with the Prepetition Revolving Loan Credit Agreement.

113. "*Schedules*" means, collectively, any schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial accordance with the Official Bankruptcy Forms, as may be amended from time to time before entry of a final decree; *provided, however*, that the Debtors may seek a waiver of the requirement set forth in section 521 of the Bankruptcy Code.

114. "*Second Lien Notes*" means the 18.5% Senior Secured Second Lien Notes due 2012 issued by Vertis pursuant to the Second Lien Notes Indenture.

115. "*Second Lien Note Claims*" means any Claim arising under or in connection with the Second Lien Notes Indenture, including (a) the Series A Second Lien Note Claims, (b) the Series B Second Lien Note Claims, (c) the Series C Second Lien Note Claims, and (d) any Claims on account of the Subsidiary Debtors' guarantee of Vertis' obligations arising under or in connection with the Second Lien Notes Indenture.

116. "*Second Lien Notes Indenture*" means the Indenture, dated as of October 17, 2008, by and among Vertis, Inc., the guarantors party thereto and the Second Lien Notes Indenture Trustee, as trustee, relating to Vertis, Inc.'s outstanding 18.5% Senior Secured Second Lien Notes due 2012, as amended, restated, supplemented or otherwise modified from time to time as of the date hereof, including all agreements, documents, notes, instruments and any other agreements delivered pursuant thereto or in connection therewith.

117. "*Second Lien Notes Indenture Trustee*" means Wilmington Trust Company, solely in its capacity as set forth under the Second Lien Notes Indenture, and/or its duly appointed successor solely in such capacity.

118. "*Second Lien Notes Indenture Trustee Claim*" means all Claims of the Second Lien Notes Indenture Trustee for reasonable and documented fees, expenses, disbursements and advances under the terms of the Second Lien Notes Indenture (including, but not limited to, the reasonable documented fees, costs and expenses incurred by the Second Lien Notes Indenture Trustee's professionals).

119. "*Second Lien Note Claims New Common Stock Allocation*" means a number of shares of New Common Stock that would equal 96.25% of the shares of New Common Stock issued and outstanding on the Effective Date prior to dilution resulting from shares of New Common Stock issued pursuant to the Private Placement and the Backstop Fee.

120. "*Secured*" means, when referring to a Claim: (a) secured by a Lien on property in which the Estate of the Debtor against which the Claim is asserted has an interest, which Lien is valid, perfected and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, to the extent of the value of the creditor's interest in the Estate's interest in such property as determined pursuant to section 506(a) of the Bankruptcy Code; (b) subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the property subject to setoff; or (c) otherwise Allowed pursuant to the Plan as a Secured Claim.

121. "*Senior PIK Notes*" means the 13.5% Senior PIK Notes due 2014 issued by Vertis, Inc. pursuant to the Senior PIK Notes Indenture.

122. "*Senior PIK Note Claims*" means any Claim arising under or in connection with the Senior PIK Notes Indenture, including any Claims on account of the Subsidiary Debtors' guarantee of Vertis' obligations arising under or in connection with the Senior PIK Notes Indenture.

123. "*Senior PIK Notes Indenture*" means the Indenture, dated as of October 17, 2008, by and among Vertis, Inc., the guarantors party thereto, and the Senior PIK Notes Indenture Trustee, as trustee, relating to Vertis, Inc.'s outstanding 13.5% Senior PIK Notes due 2014, as amended, restated, supplemented or otherwise modified from time to time as of the date hereof, including all agreements, documents, notes, instruments and any other agreements delivered pursuant thereto or in connection therewith.

124. "*Senior PIK Notes Indenture Trustee*" means HSBC Bank USA, National Association, solely in its capacity as set forth in the Senior PIK Notes Indenture and/or its duly appointed successor, solely in such capacity.

125. "*Senior PIK Notes Indenture Trustee Claim*" means all Claims of the Senior PIK Notes Indenture Trustee for reasonable and documented fees, expenses, disbursements and advances under the terms of the Senior PIK Notes Indenture (including, but not limited to, the reasonable documented fees, costs and expenses incurred by the Senior PIK Notes Indenture Trustee's professionals).

126. "*Senior PIK Note Claims New Common Stock Allocation*" means a number of shares of New Common Stock that would equal 3.75% of the shares of New Common Stock issued and outstanding on the Effective Date.

127. "*Series A Notes*" shall have the meaning set forth in the Second Lien Notes Indenture.

128. "*Series A Second Lien Note Claims*" means any Claim arising under or in connection with the Series A Notes, including any Claims on account of the Subsidiary Debtors' guarantee of Vertis, Inc.'s obligations arising under or in connection with the Series A Notes issued under the Second Lien Notes Indenture.

129. "*Series B Notes*" shall have the meaning set forth in the Second Lien Notes Indenture.

130. "*Series B Second Lien Note Claims*" means any Claim arising under or in connection with the Series B Notes, including any Claims on account of the Subsidiary Debtors' guarantee of Vertis, Inc.'s obligations arising under or in connection with the Series B Notes issued under the Second Lien Notes Indenture.

131. "*Series C Notes*" shall have the meaning set forth in the Second Lien Notes Indenture.

132. "*Series C Second Lien Note Claims*" means any Claim arising under or in connection with the Series C Notes, including any Claims on account of the Subsidiary Debtors' guarantee of Vertis, Inc.'s obligations arising under or in connection with the Series C Notes issued under the Second Lien Notes Indenture.

133. "*Subordinated 510(b) Claim*" means any Claim subordinated pursuant to Bankruptcy Code section 510(b), which shall include (i) any Claim arising from the rescission of a purchase or sale of (a) Interests in Vertis Holdings or (b) debt securities of any of the Debtors, (ii) any Claim for damages arising from the purchase or sale of

(a) any Interests in Vertis Holdings, Inc. or (b) debt securities of any of the Debtors, or (iii) any Claim for reimbursement, contribution or indemnification on account of any such Claim.

134. "*Subsidiary Debtors*" means all of the Debtors other than Vertis Holdings, Inc. and Vertis, Inc..

135. "*Term Loan Claims*" means any Claim arising under or in connection with the Prepetition Term Loan Credit Agreement, including any Claims on account of Vertis Holdings, Inc.'s or the Subsidiary Debtors' guarantee of Vertis' obligations arising under or in connection with the Prepetition Term Loan Credit Agreement.

136. "*Tier 1 Employee*" shall have the meaning set forth in Article V.J hereof.

137. "*Tier 2 Employee*" shall have the meaning set forth in Article V.J hereof.

138. "*Unexpired Lease*" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

139. "*Unimpaired*" means any Claim or Interest that is not designated as Impaired. For the avoidance of doubt, Unimpaired Classes are Classes 1, 2, 3, 5 7, 8 and 11.

140. "*Unsecured Claims*" means any unsecured claim against any Debtor including (a) a General Unsecured Claim and (b) a Senior PIK Note Claim.

141. "*U.S. Trustee*" means the United States Trustee for the Southern District of New York.

142. "*Vertis*" means Vertis, Inc.

143. "*Vertis Holdings*" means Vertis Holdings, Inc.

144. "*Voting Deadline*" means 12:00 a.m. (New York City time) on December 1, 2010.

B. Rules of Interpretation

For purposes of this Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise specified, all references herein to ''Articles" are references to Articles hereof or hereto; (e) unless otherwise stated, the words "herein," "hereof" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (h) any immaterial effectuating provisions may be interpreted by the Reorganized Debtors in a manner that is consistent with the overall purpose and intent of the Plan all without further Bankruptcy Court order.

C. Computation of Time

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the

principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan, any agreements, documents, instruments or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in New York shall be governed by the laws of the state of incorporation of the applicable Debtor or Reorganized Debtor, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

F. Reference to the Debtors or the Reorganized Debtors

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or to the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

ARTICLE II

TREATMENT OF UNCLASSIFIED CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, and Priority Tax Claims and DIP Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III and shall have the following treatment:

A. A. Administrative Claims

1. Administrative Claims

Except with respect to Administrative Claims that are Claims Accrued for Professional Compensation, each holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release and discharge of and in exchange for its Administrative Claim, on the latest of (i) the Distribution Date, (ii) the date on which its Administrative Claim becomes an Allowed Administrative Claim, (iii) the date on which its Administrative Claim becomes payable under any agreement with the Debtors relating thereto, (iv) in respect of liabilities incurred in the ordinary course of business, the date upon which such liabilities are payable in the ordinary course of the Debtors' business, consistent with past practice, or (v) such other date as may be agreed upon between the holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as the case may be, Cash equal to the unpaid portion of its Allowed Administrative Claim.

In the case of the Indenture Trustee Claims, such Claims will be paid promptly in the ordinary course of business (subject to the Debtors' prior receipt of invoices and reasonable documentation in connection therewith and without the requirement to file a fee application with the Bankruptcy Court) on the later of the Effective Date or two business days from the Reorganized Debtors' receipt of invoices and documentation for such Indenture Trustee Claims; *provided, that* such fees, expenses, disbursements and advances are reimbursable under the terms of the Second Lien Notes Indenture and/or the Senior PIK Notes Indenture, as applicable; and *provided further*, that the Indenture Trustees will receive payment in the ordinary course of business (subject to the Debtors' prior receipt of invoices and reasonable documentation in connection therewith) for all reasonable fees, expenses, disbursements and advances incurred after the Effective Date in connection with the distributions required to be made pursuant to this Plan or the implementation of any provisions of this Plan.

2. Professional Compensation

(A) Claims for Accrued Professional Compensation

Professionals or other Persons asserting a Claim for Accrued Professional Compensation for services rendered before the Effective Date must file and serve on the Debtors and such other Persons who are designated by the Bankruptcy Rules, the Confirmation Order, the Interim Compensation Order or other order of the Bankruptcy Court an application for final allowance of such Claim for Accrued Professional Compensation no later than 30 days after the Effective Date. Objections to any Claim for Accrued Professional Compensation must be filed and served on the Reorganized Debtors, the Creditors' Committee, the Office of the U.S. Trustee and the requesting party no later than 50 days after the Effective Date.

(B) Post-Effective Date Fees and Expenses

Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors may employ and pay any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to any party or action, order or approval of the Bankruptcy Court.

B. Priority Tax Claims

The legal and equitable rights of the holders of Priority Tax Claims are Unimpaired by the Plan. Unless the holder of such Claim and the Debtors agree to a different treatment, on the Effective Date, each holder of an Allowed Priority Tax Claim shall have its Claim Reinstated.

C. DIP Claims

Except to the extent that a holder of an Allowed DIP Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each and every Allowed DIP Claim, each such Allowed DIP Claim shall be paid in full in Cash on the Effective Date, provided such payments shall be distributed to the DIP Agent on behalf of holders of such Allowed Claims.

ARTICLE III

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Classification of Claims and Interests

Pursuant to section 1122 of the Bankruptcy Code, set forth below is a designation of Classes of Claims and Interests. A Claim or Interest is placed in a particular Class for the purposes of voting on the Plan and receiving distributions pursuant to the Plan only to the extent that such Claim or Interest has not been paid, released, withdrawn or otherwise settled before the Effective Date.

The categories of Claims and Interests set forth below classify all Claims against and Interests in the Debtors for all purposes of this Plan. A Claim or Interest shall be deemed classified in a particular Class only to the extent the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date. The treatment with respect to each Class of Claims

and Interests provided for in Article III shall be in full and complete satisfaction, release and discharge of such Claims and Interests.

B. Summary of Classification

The Plan treats the Debtors as compromising a single Estate solely for purposes of voting on the Plan, Confirmation of the Plan and making distributions in respect of Claims and Interests under the Plan. Such treatment shall not affect any Debtor's status as a separate legal entity, change the organizational structure of the Debtors' business enterprise, constitute a change of control of any Debtor for any purpose, cause a merger or consolidation of any legal entities, nor cause the transfer of any Assets of any of the Debtors or their Estates, and all Debtors shall continue to exist as separate legal entities after the Effective Date. The above treatment serves only as a mechanism to effect a fair distribution of value to the Debtors' constituencies.

A creditor which holds multiple Claims against a single Debtor or multiple Claims against multiple Debtors, all of which Claims are based upon or relate to the same or similar indebtedness or obligations, whether by reason of guarantee, indemnity agreement, joint and several obligation or otherwise, shall be deemed to have only one Claim against the Estates in an amount equal to the largest of all such similar Allowed Claims for purposes of distributions under the Plan. For purposes of voting on the Plan, any Creditor holding such similar Claims against a Debtor or multiple Debtors may only vote the largest of all such similar Allowed Claims.

The categories of Claims and Interests are classified for all purposes, including voting, confirmation, and distribution, pursuant to the Plan as follows:

Class	Designation	Impairment	Entitled to Vote
Class 1	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class 2	Revolving Loan Claims	Unimpaired	No (deemed to accept)
Class 3	Term Loan Claims	Unimpaired	No (deemed to accept)
Class 4A	Series A Second Lien Note Claims	Impaired	Yes
Class 4B.....	Series B Second Lien Note Claims	Impaired	Yes
Class 4C	Series C Second Lien Note Claims	Impaired	Yes
Class 5	Other Secured Claims	Unimpaired	No (deemed to accept)
Class 6	Senior PIK Note Claims	Impaired	Yes
Class 7	General Unsecured Claims	Unimpaired	No (deemed to accept)
Class 8	Intercompany Claims	Unimpaired	No (deemed to accept)
Class 9	Subordinated 510(b) Claims	Impaired	No (deemed to reject)
Class 10	Interests in Vertis Holdings	Impaired	No (deemed to reject)
Class 11	Intercompany Interests	Unimpaired	No (deemed to accept)

C. Treatment of Claims and Interests

1. Class 1—Priority Non-Tax Claims.

1. *Impairment and Voting.* Class 1 is Unimpaired by the Plan. Each holder of an Allowed Priority Non-Tax Claim is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

2. *Distribution.* Unless the holder of such Claim and the Debtors agree to a different treatment, on the Effective Date, each holder of an Allowed Priority Non-Tax Claim shall have its Claim Reinstated.

2. Class 2—Revolving Loan Claims.

1. *Impairment and Voting.* Class 2 is Unimpaired by the Plan. Each holder of an Allowed Revolving Loan Claim is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

2. *Distribution.* On the Effective Date, except to the extent that a holder of an Allowed Revolving Loan Claim agrees to less favorable treatment, each holder of an Allowed Revolving Loan Claim shall receive payment in full, in Cash, of the outstanding principal amount of its claim, any accrued and unpaid interest thereon, and other amounts contractually owing to such holder, to the extent not previously paid with the proceeds of the DIP Facility.

3. Class 3—Term Loan Claims.

1. *Impairment and Voting.* Class 3 is Unimpaired by the Plan. Each holder of an Allowed Term Loan Claim is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

2. *Distribution.* On the Effective Date, except to the extent that a holder of an Allowed Term Loan Claim agrees to less favorable treatment, each holder of an Allowed Term Loan Claim shall receive payment in full, in Cash, of the outstanding principal amount of its claim, any accrued and unpaid interest thereon, and other amounts contractually owing to such holder; *provided, however*, that Avenue shall deliver to the Debtors and the Prepetition Term Loan Agent an irrevocable direction to pay to the Debtors (or, at the Debtors' direction, their designee) a portion of Avenue's Allowed Term Loan Claims in the amount necessary to fund Avenue's aggregate Purchase Price (as defined in the Equity Commitment Agreement) in connection with the Private Placement and its Backstop Commitment (as defined in the Equity Commitment Agreement); *provided, further*, that in the event that the arrangers of the Debtors' or the Reorganized Debtors' new first-lien term loan facility in an amount of no more than $425 million (the "*New Term Loan*") elect to allocate a portion of the New Term Loan to Avenue pursuant, and subject, to the terms of the Avenue Backstop Agreement, Avenue agrees that it will not receive cash on account its Term Loan Claims equal to the amount so allocated and such Term Loan Claims shall be deemed satisfied by Avenue becoming party to the New Term Loan Agreement as a lender for such amount.

4. Class 4A—Series A Second Lien Note Claims.

1. *Allowance, Impairment and Voting.* Class 4A is Impaired by the Plan. Each holder of an Allowed Series A Second Lien Note Claim is entitled to vote to accept or reject the Plan. The Series A Second Lien Note Claims shall be Allowed in full and, for avoidance of doubt, shall not be subject to any avoidance, reductions, setoff, offset, recharacterization, subordination, (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense, disallowance, impairment, objection or any challenges under any applicable law or regulation by any Person, in the aggregate amount of $415.8 million.

2. *Distribution.* On the Effective Date, except to the extent that a holder of an Allowed Series A Second Lien Note Claim agrees to less favorable treatment, each holder of an Allowed Series A Second Lien Note Claim shall receive its *pro rata* share of the Second Lien Note Claims New Common Stock Allocation. Additionally, Eligible Holders of Series A Second Lien Note Claims that vote to accept the Plan and tender their Series A Notes in connection with the Exchange Offers are being provided the opportunity to purchase up to 20.245 shares of New Common Stock per $1,000 of their Allowed Series A Second Lien Note Claims pursuant to the Private Placement, subject to the Private Placement Reduction. Any Private Placement Reduction will be subject to the waiver of one or more conditions under the New Term Loan. Each holder of an Allowed Series A Second Lien Note Claim shall automatically become and be deemed to be a party to the New Stockholders' Agreement on the Effective Date, regardless of whether such holder votes to accept or reject the Plan or executes the New Stockholders' Agreement, unless such holder votes to reject the Plan and declines to accept the shares of New Common Stock to which such holder would otherwise be entitled under the Plan.

5. Class 4B—Series B Second Lien Note Claims.

1. *Allowance, Impairment and Voting.* Class 4B is Impaired by the Plan. Each holder of an Allowed Series B Second Lien Note Claim is entitled to vote to accept or reject the Plan. The Series B Second Lien Note Claims shall be Allowed in full and, for avoidance of doubt, shall not be subject to any avoidance, reductions, setoff, offset, recharacterization, subordination, (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense, disallowance, impairment, objection or any challenges under any applicable law or regulation by any Person, in the aggregate amount of $56 million.

2. *Distribution.* On the Effective Date, except to the extent that a holder of an Allowed Series B Second Lien Note Claim agrees to less favorable treatment, each holder of an Allowed Series B Second Lien Note Claim

shall receive its *pro rata* share of the Second Lien Note Claims New Common Stock Allocation. Additionally, Eligible Holders of Series B Second Lien Note Claims that vote to accept the Plan and tender their Series B Notes in connection with the Exchange Offers are being provided the opportunity to purchase up to 20.245 shares of New Common Stock per $1,000 of their Allowed Series B Second Lien Note Claims pursuant to the Private Placement, subject to the Private Placement Reduction. Any Private Placement Reduction will be subject to the waiver of one or more conditions under the New Term Loan. Each holder of an Allowed Series B Second Lien Note Claim shall automatically become and be deemed to be a party to the New Stockholders' Agreement on the Effective Date, regardless of whether such holder votes to accept or reject the Plan or executes the New Stockholders' Agreement, unless such holder votes to reject the Plan and declines to accept the shares of New Common Stock to which such holder would otherwise be entitled under the Plan.

6. Class 4C—Series C Second Lien Note Claims.

1. *Allowance, Impairment and Voting.* Class 4C is Impaired by the Plan. Each holder of an Allowed Series C Second Lien Note Claim is entitled to vote to accept or reject the Plan. The Series C Second Lien Note Claims shall be Allowed in the amount of ninety-five percent (95%) of the aggregate principal plus accrued and unpaid prepetition interest outstanding under the Series C Notes as of the Petition Date, and, for avoidance of doubt, shall not otherwise be subject to any avoidance, reductions, setoff, offset, recharacterization, subordination, (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense, disallowance, impairment, objection or any challenges under any applicable law or regulation by any Person, in the aggregate amount of $22.1 million.

2. *Distribution.* On the Effective Date, except to the extent that a holder of an Allowed Series C Second Lien Note Claim agrees to less favorable treatment, each holder of an Allowed Series C Second Lien Note Claim shall receive its *pro rata* share of the Second Lien Note Claims New Common Stock Allocation. Additionally, Eligible Holders of Series C Second Lien Note Claims that vote to accept the Plan and tender their Series C Notes in connection with the Exchange Offers are being provided the opportunity to purchase up to 19.233 shares of New Common Stock per $1,000 of their Series C Second Lien Notes (in the aggregate amount of $23.3 million) pursuant to the Private Placement, subject to the Private Placement Reduction. Any Private Placement Reduction will be subject to the waiver of one or more conditions under the New Term Loan. Each holder of an Allowed Series C Second Lien Note Claim shall automatically become and be deemed to be a party to the New Stockholders' Agreement on the Effective Date, regardless of whether such holder votes to accept or reject the Plan or executes the New Stockholders' Agreement, unless such holder votes to reject the Plan and declines to accept the shares of New Common Stock to which such holder would otherwise be entitled under the Plan.

7. Class 5—Other Secured Claims.

1. *Impairment and Voting.* Class 5 is Unimpaired by the Plan. Each holder of an Allowed Other Secured Claim is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

2. *Distribution.* Unless the holder of such Claim and the Debtors agree to a different treatment, on the Effective Date, each holder of an Allowed Other Secured Claim shall (i) have its Claim Reinstated, or (ii) receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Other Secured Claim, either (w) Cash in the full amount of such Allowed Other Secured Claim, including any postpetition interest accrued pursuant to section 506(b) of the Bankruptcy Code, (x) the proceeds of the sale or disposition of the collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's secured interest in such collateral, (y) the collateral securing such Allowed Other Secured Claim and any interest on such Allowed Other Secured Claim required to be paid pursuant to section 506(b) of the Bankruptcy Code, or (z) such other distribution as necessary to satisfy the requirements of section 1129 of the Bankruptcy Code. If the Claim of a holder of an Other Secured Claim exceeds the value of the Collateral that secures it, such holder will have an Other Secured Claim equal to the Collateral's value and a General Unsecured Claim for the deficiency.

8. Class 6—Senior PIK Note Claims.

1. *Allowance, Impairment and Voting.* Class 6 is Impaired by the Plan. Each holder of an Allowed Senior PIK Note Claim is entitled to vote to accept or reject the Plan. The Senior PIK Note Claims shall be Allowed in full and, for avoidance of doubt, shall not be subject to any avoidance, reductions, setoff, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaim, cross-claim, defense, disallowance,

impairment, objection or any challenges under any applicable law or regulation by any Person, in the aggregate amount of $258.4 million.

2. *Distribution.* On the Effective Date, except to the extent that a holder of an Allowed Senior PIK Note Claim agrees to less favorable treatment, each holder of an Allowed Senior PIK Note Claim shall receive its *pro rata* share of the Senior PIK Note Claims New Common Stock Allocation. Each holder of an Allowed Senior PIK Note Claim shall automatically become and be deemed to be a party to the New Stockholders' Agreement on the Effective Date, regardless of whether such holder votes to accept or reject the Plan or executes the New Stockholders' Agreement, unless such holder votes to reject the Plan and declines to accept the shares of New Common Stock to which such holder would otherwise be entitled under the Plan.

9. Class 7—General Unsecured Claims.

1. *Impairment and Voting.* Class 7 is Unimpaired by the Plan. Each holder of an Allowed General Unsecured Claim is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

2. *Distribution.* Unless the holder of such Claim and the Debtors agree to different treatment, on the Effective Date, each holder of an Allowed General Unsecured Claim shall have its Claim Reinstated; *provided however* that the holder of an Allowed General Unsecured Claim arising from a Consulting Agreement Claim shall receive Cash in the amount of 50% of such Claim.

10. Class 8—Intercompany Claims.

1. *Impairment and Voting.* Class 8 is Unimpaired by the Plan. Each holder of an Allowed Intercompany Claim is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

2. *Distribution.* Class 8 Claims shall be Reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

11. Class 9—Subordinated 510(b) Claims.

1. *Impairment and Voting.* Class 9 is Impaired by the Plan. Each holder of a Subordinated 510(b) Claim is conclusively deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

2. *Distribution.* The holders of Subordinated 510(b) Claims shall not receive or retain any property under the Plan on account of such Subordinated 510(b) Claims and the obligations of the Debtors and Reorganized Debtors on account of Subordinated 510(b) Claims shall be discharged.

12. Class 10—Interests in Vertis Holdings.

1. *Impairment and Voting.* Class 10 is Impaired by the Plan. Each holder of an Allowed Interest in Vertis Holdings is conclusively deemed to have rejected the Plan and is not entitled to vote to accept or reject the Plan.

2. *Distribution.* On the Effective Date, Allowed Interests in Vertis Holdings shall be deemed automatically cancelled without further action by the Debtors or Reorganized Debtors and the obligations of the Debtors and Reorganized Debtors thereunder shall be discharged.

13. Class 11—Intercompany Interests.

1. *Impairment and Voting.* Class 11 is Unimpaired by the Plan. Each holder of an Allowed Intercompany Interest is not entitled to vote to accept or reject the Plan and shall be conclusively deemed to have accepted the Plan.

2. *Distribution.* Class 11 Claims shall be Reinstated and rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

ARTICLE IV

ACCEPTANCE REQUIREMENTS

A. Acceptance or Rejection of the Plan

1. Voting Classes

Classes 4A, 4B, 4C and 6 are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

2. Presumed Acceptance of the Plan

Classes 1, 2, 3, 5, 7, 8 and 11 are Unimpaired under the Plan and are, therefore, conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

3. Presumed Rejection of the Plan

Classes 9 and 10 are Impaired under the Plan and holders of Class 9 Claims and Class 10 Interests shall not receive or retain any property under the Plan on account of such Claims and Interests and are, therefore, conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

B. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to rejecting Classes of Claims and Interests. The Debtors reserve the right to modify the Plan in accordance with Article XI hereof and in accordance with the Equity Commitment Agreement, to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

ARTICLE V

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Sources of Consideration for Plan Distributions

1. Cash Consideration

All Cash consideration necessary for the Reorganized Debtors to make payments or distributions pursuant hereto shall be obtained from the Exit Financing or other Cash on hand of the Debtors, including Cash derived from business operations. Further, the Debtors and the Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate or otherwise be affected by the terms of the Plan.

2. New Common Stock

On the Effective Date, Reorganized Vertis Holdings shall issue (i) shares of New Common Stock for distribution to holders of Allowed Second Lien Note Claims in accordance with the Second Lien Note Claims New Common Stock Allocation, (ii) shares of New Common Stock for distribution to the holders of Allowed Senior PIK Note Claims in accordance with the Senior PIK Note Claims New Common Stock Allocation, (iii) 1,800,000 shares

of New Common Stock in connection with the Backstop Fee, and (iv) 10,000,000 shares of New Common Stock in connection with the Private Placement (subject to reduction pursuant to the Private Placement Reduction), pursuant to the terms set forth herein. All of the shares of New Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid and non assessable. Each distribution and issuance referred to in Article VII shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Person receiving such distribution or issuance.

B. Cancellation of Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations (other than those obligations under the Prepetition Revolving Loan Credit Agreement that expressly survive termination thereof) of the Debtors under the Prepetition Term Loan Credit Agreement, Prepetition Revolving Loan Credit Agreement and the Indentures, and any other certificate, share, note, bond, indenture, purchase right, option, warrant or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such certificates, notes or other instruments or documents evidencing indebtedness or obligations of the Debtors that are specifically reinstated or assumed pursuant to the Plan), shall be cancelled as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder and (2) the obligations of the Debtors pursuant, relating or pertaining to any agreements, indentures, certificates of designation, bylaws or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except (A) such agreements, certificates, notes or other instruments evidencing indebtedness or obligations of the Debtors that are specifically reinstated or assumed pursuant to the Plan and (B) any indemnification obligations with respect to the Indenture Trustees under the Indentures, which shall survive as contingent unsecured obligations having Administrative Claim status notwithstanding the cancellation of the Indentures) shall be released and discharged; *provided*, *however*, notwithstanding Confirmation or the occurrence of the Effective Date, that any such indenture (including, but not limited to, the Indentures) or agreement that governs the rights of the holder of a Claim shall continue in effect solely for purposes of (a) allowing holders of Term Loan Claims, Revolving Loan Claims, Second Lien Note Claims and Senior PIK Note Claims (as applicable) to receive distributions under the Plan as provided herein (and the Indenture Trustees shall specifically maintain any charging lien and priority of payment that it may have against the distributions under the Plan to be made to the holders of Allowed Second Lien Note Claims and/or holders of Allowed Senior PIK Note Claims for any fees, expenses, disbursements and advances under the Indentures or any other agreements until all such fees, expenses, disbursements and advances are paid pursuant to the Plan or otherwise), (b) allowing the Prepetition Term Loan Agent, the Prepetition Revolving Loan Agent and Indenture Trustees, if applicable, to make distributions under the Plan as provided herein, and (c) allowing the Prepetition Term Loan Agent, the Prepetition Revolving Loan Agent and Indenture Trustees to seek compensation and/or reimbursement of reasonable fees and expenses in accordance with the terms of this Plan; *provided, however*, that the preceding proviso shall not affect the discharge of Claims or Interests pursuant to the Bankruptcy Code, the Confirmation Order or the Plan, or result in any expense or liability to the Reorganized Debtors, except to the extent set forth in or provided for under this Plan; *provided further, however* that notwithstanding the foregoing, all mortgages, deeds of trust, Liens, pledges or other security interests shall be and are hereby deemed to be fully released and discharged in accordance with Article IX.I hereof, except to the extent that the Indenture Trustees may recover any amounts due to the Indenture Trustees from distributions to holders of Second Lien Note Claims and Senior PIK Note Claims, as applicable, under this Plan; *provided further, however* that notwithstanding the foregoing the Indenture Trustees shall not be granted and shall not have any charging lien and/or priority of payment against the Debtors, the Reorganized Debtors, and/or their property, assets, or Estates. On and after the Effective Date, all duties and responsibilities of the Prepetition Term Loan Agent under the Prepetition Term Loan Credit Agreement, the Prepetition Revolving Loan Agent under the Prepetition Revolving Loan Credit Agreement and the Indenture Trustees under the Indentures, as applicable, shall be discharged except to the extent required in order to effectuate the Plan.

C. Section 1145 Exemption

The issuance of the New Common Stock distributed to creditors on account of their Claims shall be authorized under section 1145 of the Bankruptcy Code as of the Effective Date without further act or action by any person, unless required by provision of the relevant corporate documents or applicable law, regulation, order or rule; and all documents evidencing the same shall be executed and delivered as provided for in the Plan or the Plan Supplement; *provided*, *however*, that New Common Stock issued pursuant to the Private Placement will not be exempt from registration pursuant to section 1145 of the Bankruptcy Code. Instead, such New Common Stock will be exempt from registration under the Securities Act by virtue of section 4(2) thereof and Regulation D promulgated thereunder. Thus, the New Common Stock being issued in the Private Placement constitutes "restricted securities" within the meaning of Rule 144 under the Securities Act and accordingly may not be offered, sold, resold, pledged, delivered, allotted or otherwise transferred except in transactions that are exempt from, or in transactions not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. The New Common Stock issued in the Private Placement shall bear a legend restricting their transferability until no longer required under applicable requirements of the Securities Act and state securities laws.

D. New Stockholders' Agreement

On the Effective Date, Reorganized Vertis Holdings and the holders of Allowed Second Lien Note Claims and Allowed Senior PIK Note Claims as holders of New Common Stock shall become and be deemed to be parties to and bound by the New Stockholders' Agreement.

E. Corporate Existence

Except as otherwise provided herein, in the Corporate Governance Documents or elsewhere in the Plan Supplement, each Debtor, as Reorganized, shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed. Any defaults, defects and/or dissolutions under applicable non-bankruptcy law that have resulted or could result due the Debtors' filing of the Chapter 11 Cases are hereby cured and the Debtors and/or the Reorganized Debtors hereby restored to good standing in the states in which they are organized.

F. Reorganized Debtors' Boards of Directors

The identity of the members of the New Boards of each of the Reorganized Debtors will be identified in the Plan Supplement or in a filing with the Bankruptcy Court at or prior to the Confirmation Hearing.

G. Officers of Reorganized Debtors

Officers of each of the Reorganized Debtors shall be identified in the Plan Supplement. Such officers shall serve in accordance with applicable non-bankruptcy law and, to the extent applicable, the New Employment Agreements with each of the other Reorganized Debtors.

H. Employee Benefits

Except as otherwise provided herein, on and after the Effective Date, the Reorganized Debtors may: (1) honor, in the ordinary course of business, any contracts, agreements, policies, programs and plans for, among other things, compensation (other than equity based compensation related to Interests), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance and accidental death and dismemberment insurance for the directors, officers and employees of any of the Debtors who served in such capacity at any time and (2) honor, in the ordinary course of

business, Claims of employees employed as of the Effective Date for accrued vacation time arising before the Petition Date; *provided, however*, that the Debtors' or Reorganized Debtors' performance under any employment agreement will not entitle any person to any benefit or alleged entitlement under any policy, program or plan that has expired or been terminated before the Effective Date, or restore, reinstate or revive any such benefit or alleged entitlement under any such policy, program or plan. Nothing herein shall limit, diminish or otherwise alter the Reorganized Debtors' defenses, claims, Causes of Action or other rights with respect to any such contracts, agreements, policies, programs and plans. For the avoidance of doubt, and in accordance with section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue payment of all "retiree benefits," as defined in section 1114(a) of the Bankruptcy Code, if any, at previously established levels.

The Debtors maintain five qualified non-contributory defined benefit pension plans: (1) the Webcraft Retirement Income Plan; (2) the Webcraft Service Related Pension Plan; (3) the American Color Graphics, Inc. Pension Plan for Salaried and Southwest Hourly Employees; (4) the American Color Graphics, Inc. Pension Plan for Hourly Employees; and (5) the Dunkirk Printing Pressmen and Assistants Union Local No. 191 Pension Plan ("*Pension Plans*"). The Debtors intend to continue the Pension Plans and meet the minimum funding standards under Title IV of the Employee Retirement Income Security Act of 1974 ("*ERISA*") and the Internal Revenue Code, pay all Pension Benefit Guaranty Corporation insurance premiums, if applicable, and otherwise administer and operate the Pension Plans in accordance with their terms and ERISA. Nothing in this Plan shall be deemed to release, discharge, or relieve the Debtors, the Reorganized Debtors, any member of the Debtors' controlled groups, or any other party, in any capacity, from any liability with respect to the Pension Plans under any law or regulatory provision relating to the termination of the Pension Plans.

I. Management Incentive Plan

Effective as of the Effective Date, the Reorganized Debtors shall implement a management incentive plan for management, selected employees and directors of the Reorganized Debtors, providing incentive compensation in the form of stock options, stock appreciation rights, restricted stock, phantom stock awards, performance awards and/or other stock-based awards in Reorganized Vertis Holdings equal to 10% of the New Common Stock, determined on a fully diluted basis, substantially in the form (the "*Management Incentive Plan*"). The specific form of and terms applicable to awards granted under the incentive plan for management, including vesting conditions, shall be determined by the New Board of Reorganized Vertis Holdings.

J. Restructuring Incentive Plan

On the earlier of five days after the Confirmation Date and one day before the Effective Date, the existing boards of directors of the Debtors shall approve cash awards to certain employees of the Debtors in the aggregate amount of up to $3.034 million in recognition of such employees' efforts in connection with the Debtors' recapitalization efforts. With respect to any cash award approved by the existing boards for Mr. Quincy Allen, Mr. Allen will be paid one-quarter of any such award within two weeks of the Effective Date; one-quarter of any such award upon the six-month anniversary of the first payment; and one-half of any such award upon the one-year anniversary of the first payment; provided that Mr. Allen will be eligible to receive an installment payment only if he has not previously voluntarily ended his employment with the Debtors or been terminated for cause. With respect to any cash award approved by the existing boards for certain senior employees, including those who report directly to Mr. Allen or the Chief Financial Officer ("*Tier 1 Employee*"), such Tier 1 Employee will be paid one-half of any such award within two weeks of the Effective Date, and one-half of any such award upon the six-month anniversary of the first payment; provided that any such Tier 1 Employee will be eligible to receive an installment only if he/she has not previously voluntarily ended his/her employment with the Debtors or been terminated for cause. With respect to any cash award approved by the existing boards for any other key employee ("*Tier 2 Employee*"), such Tier 2 Employee will be paid all of such award within two weeks of the Effective Date.

K. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated therein, on the Effective Date, all property in each Estate and all Causes of Action (except those released pursuant to the Releases by the Debtors) shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances (except for Liens, if any, granted to secure the Exit Financing). On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire or dispose of property and compromise or settle any Claims, Interests or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

L. Restructuring Transactions

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by or necessary to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Persons may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Persons agree; (3) the filing of appropriate certificates or articles of incorporation or amendments thereof, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (4) all other actions that the applicable Persons determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

M. The Private Placement

1. Use of the Private Placement Proceeds.

The proceeds of the Private Placement will be used to make payments required to be made on and after the Effective Date under the Plan, including, without limitation, repayment of all amounts owing under the Prepetition Term Loan Credit Agreement and the Prepetition Revolving Loan Credit Agreement and certain fees and expenses of the Indenture Trustee, Avenue and the Backstop Purchasers.

2. The Private Placement Subscription.

Pursuant to the Private Placement, Eligible Holders of Second Lien Note Claims that vote to accept the Plan and tender Second Lien Notes in the Exchange Offers are being provided the opportunity, pursuant to the Private Placement described in the Offering Memorandum, to purchase shares of New Common Stock up to an aggregate of 10,000,000 ($100.0 million) shares of New Common Stock, subject to reduction in accordance with the Private Placement Reduction. Each Eligible Holder is being permitted to purchase up to 20.245 shares of New Common Stock per $1,000 of its Series A Second Lien Notes, 20.245 shares of New Common Stock per $1,000 of its Series B Second Lien Notes and 19.233 shares of New Common Stock per $1,000 of its Series C Second Lien Notes (in the aggregate amount of $23.3 million), in each case at a subscription price per share of $10.00, and in each case subject to the Private Placement Reduction.

3. The Private Placement Backstop.

Avenue and the Backstop Purchasers have agreed to backstop the Private Placement in accordance with the terms of the Equity Commitment Agreement.

4. Reduction of Private Placement Offered Shares.

Prior to the Effective Date, the board of directors of Reorganized Vertis Holdings may, following consultation with the Backstop Purchasers and Avenue, elect to reduce the aggregate amount of Private Placement Offered Shares if it determines, based upon Reorganized Vertis Holdings' estimated working capital and available liquidity (the "*Private Placement Reduction*"), that following such reduction, it will have adequate cash resources (including amounts available under the Exit Financing), to consummate the transactions contemplated by this Plan and implement its business plan following the Effective Date; *provided, however* that the total number of shares of New Common Stock by which the Private Placement Offered Shares are reduced may not exceed 2,000,000 ($20.0 million) shares of New Common Stock. Any Private Placement Reduction will be subject to the waiver of one or more conditions under the New Term Loan.

N. Corporate Action

Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including (1) entry into the New Employment Agreements; (2) selection of the directors and officers of the Reorganized Debtors; (3) the execution of and entry into the Exit Financing; (4) the distribution of the New Common Stock as provided herein; and (5) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the directors or officers of the Debtors or the Reorganized Debtors.

On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and directed to issue, execute and deliver the agreements, documents, securities, certificates of incorporation, operating agreements and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including the Exit Financing, the Registration Rights Agreement and any and all other agreements, documents, securities and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article V.N shall be effective notwithstanding any requirements under non-bankruptcy law.

O. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors and the managers, officers and members of the boards of directors thereof are authorized to issue, execute, deliver, file or record such contracts, securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization or consents except for those expressly required pursuant to the Plan.

P. Section 1146 Exemption from Certain Taxes and Fees

Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property in contemplation of, in connection with, or pursuant to the Plan shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (1) the creation of any mortgage, deed of trust, lien or other security interest; (2) the making or assignment of any lease or sublease; (3) any restructuring transaction authorized by Article V.L hereof; or (4) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation or dissolution; (c) deeds; or (d) assignments executed in connection with any transaction occurring under the Plan.

Q. D&O Liability Insurance Policies and Indemnification Provisions

Notwithstanding anything herein to the contrary, as of the Effective Date, the D&O Liability Insurance Policies and Indemnification Provisions belonging or owed to directors, officers, and employees of the Debtors (or the estates of any of the foregoing) who served or were employed by the Debtors as of or after the Petition Date, excluding claims resulting from gross negligence, willful misconduct, breach of fiduciary duty, or intentional tort, shall be deemed to be, and shall be treated as though they are, executory contracts and the Debtors shall assume (and assign to the Reorganized Debtors if necessary to continue the D&O Liability Insurance Policies in full force) all of the D&O Liability Insurance Policies and Indemnification Provisions pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the D&O Liability Insurance Policies and Indemnification Provisions. On or before the Effective Date, the Reorganized Debtors shall obtain reasonably sufficient tail coverage (i.e., D&O insurance coverage that extends beyond the end of the policy period) under a directors and officers' liability insurance policy for the current and former directors, officers and managers for a period of six (6) years.

In addition, on the Effective Date, to the extent the Corporate Governance Documents of the Reorganized Debtors do not already contain such provisions, the Reorganized Debtors shall amend their Corporate Governance Documents to contain provisions which (i) eliminate the personal liability of the Debtors' and the Reorganized Debtors' then-present and future directors and officers for post-emergence monetary damages resulting from breaches of their fiduciary duties to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized; and (ii) require such Reorganized Debtor, subject to appropriate procedures, to indemnify the Debtors' and the Reorganized Debtors' directors, officers, and other key employees (as such key employees are identified by the New Board) serving on or after the Effective Date for all claims and actions to the fullest extent permitted by applicable law in the state in which the subject Reorganized Debtor is organized.

R. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, and except where such Causes of Action have been expressly released (including, for the avoidance of doubt, pursuant to the Releases by the Debtors provided by Article IX.B hereof), the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, and the Reorganized Debtors' rights to commence, prosecute or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action against them. Except with respect to Causes of Action as to which the Debtors or Reorganized Debtors have released any Person or Person on or before the Effective Date (including pursuant to the Releases by the Debtors or otherwise), the Debtors or Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Person, except as otherwise expressly provided in the Plan. Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon, after or as a consequence of the Confirmation or Consummation. Notwithstanding the foregoing, the Debtors hereby release any claims, causes of action or rights arising under sections 510(c), 544, 545, 547, 548, 549, 550, 551 and 553 of the Bankruptcy Code (collectively, ''*Avoidance Actions*").

S. Single Satisfaction of Claims

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claim, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of the Claim. Notwithstanding the foregoing, in no case shall

the aggregate value of all property received or retained under the Plan on account of Allowed Claims exceed 100% of the underlying Allowed Claim.

T. Non-Voting Equity Securities

The Corporate Governance Documents of the Reorganized Debtors shall provide, to the extent not already included in such Corporate Governance Documents, that the Reorganized Debtors shall not issue any non-voting equity securities to the extent required by Bankruptcy Code section 1123(a)(6).

ARTICLE VI

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided herein, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, each of the Debtors' Executory Contracts and Unexpired Leases shall be deemed assumed as of the Effective Date, unless such Executory Contract or Unexpired Lease: (1) was assumed or rejected previously by the Debtors; (2) expired or terminated pursuant to its own terms before the Effective Date; (3) is the subject of a motion to reject filed on or before the Effective Date; or (4) is identified as an Executory Contract or Unexpired Lease to be rejected pursuant to the Plan Supplement before the Effective Date.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan, all pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, all assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall revest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by such order. Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify or supplement the list of Executory Contracts and Unexpired Leases identified in the Plan Supplement at any time before the Effective Date. After the Effective Date, the Reorganized Debtors shall have the right to terminate, amend or modify any intercompany contracts, leases or other agreements without approval of the Bankruptcy Court.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within 30 days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection; *provided*, that any such Rejection Claims arising from the rejection of an Unexpired Lease shall be subject to the cap on rejection damages imposed by Bankruptcy Code section 502(b)(6). Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates or their property without the need for any objection by the Reorganized Debtors or further notice to, or action, order or approval of the Bankruptcy Court. All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as Class 7 General Unsecured Claims against the applicable Debtor and shall be treated in accordance with Article III of the Plan. For the avoidance of doubt, any Rejection Damages shall be subject to any applicable statutory damages caps, including but not limited to those caps set forth in Bankruptcy Code section 502(b).

C. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary amounts by which any Executory Contract or Unexpired Lease to be assumed under the Plan is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by Cure. If there is a dispute regarding (i) the nature or amount of any Cure, (ii) the ability of the Reorganized Debtors to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or (iii) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order of the Bankruptcy Court resolving the dispute and approving the assumption.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the effective date of the assumption.

D. Insurance Policies

Notwithstanding anything herein to the contrary, as of the Effective Date, the Debtors shall assume (and assign to the Reorganized Debtors if necessary to continue the Insurance Policies in full force) all of the Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the Insurance Policies.

E. Modifications, Amendments, Supplements, Restatements or Other Agreements

Unless otherwise provided, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority or amount of any Claims that may arise in connection therewith.

F. Reservation of Rights.

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Rejected Executory Contract and Unexpired Lease List, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors or Reorganized Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

G. Contracts and Leases Entered Into After the Petition Date.

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed by such Debtor, will be performed by the Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VII

PROVISIONS GOVERNING DISTRIBUTIONS

A. Record Date for Distributions

As of the entry of the Confirmation Order, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors or their respective agents shall be deemed closed, and there shall be no further changes made to reflect any new record holders of any Claims or Interests. The Debtors shall have no obligation to recognize any transfer of Claims or Interests occurring on or after the Distribution Record Date.

B. Timing and Calculation of Amounts to Be Distributed

Except as otherwise provided in the Plan, on the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, on the next Distribution Date or as soon as reasonably practicable thereafter), each holder of an Allowed Claim against the Debtors shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class and in the manner provided herein. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VIII hereof. Except as otherwise provided herein, holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

C. Disbursing Agent

Except as otherwise provided herein, all distributions under the Plan shall be made by the Reorganized Debtors as Disbursing Agent or such other Person designated by the Reorganized Debtors as a Disbursing Agent on the Effective Date.

D. Rights and Powers of Disbursing Agent

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) affect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the Disbursing Agent shall be paid in Cash by the Reorganized Debtors in their reasonable discretion.

E. Distributions on Account of Claims Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims

Distributions made after the Effective Date to holders of Disputed Claims that are not Allowed Claims as of the Effective Date but which later become Allowed Claims shall be deemed to have been made on the Effective Date.

2. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the Debtors or the Reorganized Debtors, on the one hand, and the holder of a Disputed Claim, on the other hand, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

F. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the Disbursing Agent: (a) to the signatory set forth on any of the Proof of Claim filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is filed or if the Debtors have been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim; (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Disbursing Agent has not received a written notice of a change of address; (d) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf or (e) at the addresses reflected in the Debtors' books and records. Distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment or like legal process, so that each holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. None of the Debtors, the Reorganized Debtors and the applicable Disbursing Agent shall incur any liability whatsoever on account of any distributions under the Plan except for gross negligence, willful misconduct or fraud.

Except as otherwise provided in the Plan, (i) all distributions to holders of Prepetition Term Loan Claims shall be governed by the Prepetition Term Loan Credit Agreement, and shall be deemed completed when made to the Prepetition Term Loan Agent, who shall in turn make distributions in accordance with the Prepetition Term Loan Credit Agreement; (ii) all distributions to holders of Prepetition Revolving Loan Claims shall be governed by the Prepetition Revolving Loan Credit Agreement, and shall be deemed completed when made to the Prepetition Revolving Loan Agent, who shall in turn make distributions in accordance with the Prepetition Revolving Loan Credit Agreement; (iii) all distributions to holders of Second Lien Notes Claims shall be governed by the Second Lien Notes and the Second Lien Notes Indenture, and shall be deemed completed when made to the Second Lien Notes Indenture Trustee, who shall in turn make distributions in accordance with the Second Lien Notes and Second Lien Notes Indenture; and (iv) all distributions to holders of Senior PIK Notes Claims shall be governed by the Senior PIK Notes and the Senior PIK Notes Indenture, and shall be deemed completed when made to the Senior PIK Notes Indenture Trustee, who shall in turn make distributions in accordance with the Senior PIK Notes and Senior PIK Notes Indenture.

Distributions to be made on account of Second Lien Notes Claims shall be made by the Disbursing Agent to the Second Lien Notes Indenture Trustee, who shall act as the Disbursing Agent with respect to the distributions to holders of Second Lien Notes Claims. The Second Lien Notes Indenture Trustee may transfer such distributions through the facilities of DTC (whether by means of book-entry exchange, free delivery or otherwise) and will be

entitled to recognize and deal for all purposes under the Plan with holders of Second Lien Notes Claims to the extent consistent with the customary practices of DTC.

Distributions to be made on account of Senior PIK Notes Claims shall be made by the Disbursing Agent to the Senior PIK Notes Indenture Trustee, who shall act as the Disbursing Agent with respect to the distributions to holders of Senior PIK Notes Claims. The Senior PIK Notes Indenture Trustee may transfer such distributions through the facilities of DTC (whether by means of book-entry exchange, free delivery or otherwise) and will be entitled to recognize and deal for all purposes under the Plan with holders of Senior PIK Notes Claims to the extent consistent with the customary practices of DTC.

2. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any holder is returned as undeliverable, no distribution to such holder shall be made unless and until the Disbursing Agent has determined the then current address of such holder, at which time such distribution shall be made as soon as practicable after such distribution has become deliverable or has been claimed to such holder without interest; *provided*, *however*, that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and forfeited at the expiration of six months from the applicable Distribution Date. After such date, all "unclaimed property" or interests in property shall revert to the Reorganized Debtors (notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary), and the Claim of any holder to such property shall be discharged and forever barred.

G. Withholding and Reporting Requirements

In connection with the Plan and all instruments issued in connection therewith, the Disbursing Agent shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements.

H. Setoffs

Except as set forth herein, the Debtors and the Reorganized Debtors may withhold (but not set off except as set forth below) from the distributions called for under the Plan on account of any Allowed Claim an amount equal to any claims, equity interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the holder of any such Allowed Claim. In the event that any such claims, equity interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim) the amount of any adjudicated or resolved claims, equity interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claims, equity interests, rights and Causes of Action that the Debtors or the Reorganized Debtors may possess against any such holder, except as specifically provided herein.

I. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Debtors, in consultation with Avenue and the Backstop Purchasers, or the Reorganized Debtors, as applicable, shall reduce in part or in full a Claim to the extent that the holder of such Claim receives payment in part or in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on account of such Claim receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall, within two weeks of receipt thereof, repay or

return the distribution to the applicable Reorganized Debtor, to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

2. Insurance Claims

No distributions under the Plan shall be made on account of Allowed Claims until the holder of such Allowed Claim has exhausted all remedies with respect to the Debtors' Insurance Policies. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged without a Claims objection having to be filed and without any further notice to or action, order or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be made in accordance with the provisions of any applicable Insurance Policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Person may hold against any other Person, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

J. Allocation of Distributions Between Principal and Unpaid Interest

To the extent that any Claim entitled to a distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such distribution shall, for U.S. federal income tax purposes, be allocated on the Debtors' books and records to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to the accrued but unpaid interest.

ARTICLE VIII

PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS

A. Prosecution of Objections to Claims

Except as provided otherwise in the Plan or by order of the Bankruptcy Court, holders of Claims shall not be required to file Proofs of Claim with the Bankruptcy Court. The amount and validity of any disputed, contingent and/or unliquidated Claim shall be determined, resolved or adjudicated, as the case may be, in the manner in which such Claim would have been determined, resolved or adjudicated if the Chapter 11 Cases had not been commenced; provided, however, that the Debtors, in consultation with Avenue and the Backstop Purchasers, (before the Effective Date) or the Reorganized Debtors (on or after the Effective Date), as applicable, shall have the exclusive authority to file, settle, compromise, withdraw or litigate to judgment any objections to Claims as permitted under the Plan. From and after the Effective Date, the Debtors and the Reorganized Debtors may settle or compromise any Disputed Claim without approval of the Bankruptcy Court. The Debtors reserve all rights to resolve any Disputed Claim outside the Bankruptcy Court under applicable governing law.

B. Allowance of Claims

Except as expressly provided herein or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), the Reorganized Debtors after the Effective Date will have and retain any and all rights and defenses held by the Debtors with respect to any Claim as of the Petition Date. All claims of any Person against any Debtor shall be disallowed unless and until such Person pays, in full, the amount it owes each such Debtor.

C. Distributions After Allowance

On the Distribution Date following the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest to be paid on account of such Claim.

D. Estimation of Claims

The Debtors (before the Effective Date) or Reorganized Debtors (on or after the Effective Date) may, at any time, and from time to time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether an objection was previously filed with the Bankruptcy Court with respect to such Claim, or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim against any party or Person, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors (before the Effective Date) or the Reorganized Debtors (after the Effective Date), may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. All of the objection, estimation, settlement and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, objected to, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

E. Deadline to File Objections to Claims

Any objections to Claims, if any, shall be filed no later than the Claims Objection Bar Date.

ARTICLE IX

SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS

A. Compromise and Settlement of Claims, Interests and Controversies

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Interests and controversies relating to the contractual, legal and subordination rights that a holder of a Claim may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates and holders of Claims and Interests and is fair, equitable and reasonable. In accordance with the provisions of the Plan, pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against them and Causes of Action against other Persons.

B. Releases by the Debtors

Pursuant to section 1123(b) of the Bankruptcy Code and to the extent allowed by applicable law, and except as otherwise specifically provided in the Plan or the Plan Supplement, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors and the Estates from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and

liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Debtors, the Reorganized Debtors, the Estates or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, or related agreements, instruments or other documents, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Confirmation Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Released Party reasonably believed to be in the best interests of the Debtors (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence.

C. Releases by Holders of Claims

As of the Effective Date, each holder of a Claim shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Debtors, the Reorganized Debtors and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative Claims, assertable on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Person would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Debtors' Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases, the negotiation, formulation or preparation of the Plan, the Disclosure Statement, the Plan Supplement or related agreements, instruments or other documents, upon any other act or omission, transaction, agreement, event or other occurrence including or pertaining to the Debtors and taking place on or before the Confirmation Date, other than Claims or liabilities arising out of or relating to any act or omission of a Debtor, a Reorganized Debtor, or a Released Party that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Debtor, the Reorganized Debtor, or the Released Party reasonably believed to be in the best interests of the Debtors (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence; *provided, however* that this Article IX.C shall not release the Debtors, the Reorganized Debtors and the Released Parties from any Cause of Action held by a governmental entity existing as of the Effective Date based on (i) the Internal Revenue Code or other domestic state, city, or municipal tax code, (ii) the environmental laws of the United States or any domestic state, city, or municipality, (iii) any criminal laws of the United States or any domestic state, city, or municipality, (iv) the Securities and Exchange Act of 1934 (as now in effect or hereafter amended), the Securities Act of 1933 (as now in effect or hereafter amended), or other securities laws of the United States or any domestic state, city or municipality, (v) the Employee Retirement Income Security Act of 1974, as amended, or (vi) the laws and regulations of the Bureau of Customs and Border Protection of the United States Department of Homeland Security.

D. Exculpation

Except as otherwise specifically provided in the Plan or Plan Supplement, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim, obligation, cause of action or liability for any Exculpated Claim, except for gross negligence or willful misconduct (to the extent such duty is imposed by applicable non-bankruptcy law), but in all respects such Persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Debtors and the Reorganized Debtors (and each of their respective

Affiliates, agents, directors, officers, employees, advisors and attorneys) have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of the Plan securities pursuant to the Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

E. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights and treatment that are provided in the Plan shall be in full and final satisfaction, settlement, release and discharge, effective as of the Effective Date, of all Claims, Interests and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against and Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim or Interest based upon such Claim, debt, right or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such Claim, debt, right or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the holder of such a Claim or Interest has accepted the Plan. Except as otherwise provided herein, any default by the Debtors or their Affiliates with respect to any Claim or Interest that existed before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring, except as otherwise expressly provided in the Plan.

F. Injunction

FROM AND AFTER THE EFFECTIVE DATE, ALL PERSONS ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER, ANY CAUSE OF ACTION RELEASED OR TO BE RELEASED PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER.

FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT OF THE RELEASES AND EXCULPATION GRANTED IN ARTICLE IX HEREOF, THE RELEASING PARTIES SHALL BE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER AGAINST THE RELEASED PARTIES AND THE EXCULPATED PARTIES AND THEIR ASSETS AND PROPERTIES, AS THE CASE MAY BE, ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST OR REMEDY RELEASED OR TO BE RELEASED PURSUANT TO ARTICLE IX HEREOF.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, OR FOR OBLIGATIONS ISSUED PURSUANT TO THE PLAN, ALL PERSONS WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED PURSUANT TO ARTICLE IX.B OR ARTICLE IX.C, DISCHARGED PURSUANT TO ARTICLE IX.E, OR ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE IX.D, ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS: (1) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (2) ENFORCING, ATTACHING, COLLECTING OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (3) CREATING, PERFECTING OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH PERSONS OR THE PROPERTY OR ESTATE OF SUCH PERSONS ON ACCOUNT OF OR IN CONNECTION WITH OR WITH

RESPECT TO ANY SUCH CLAIMS OR INTERESTS; AND (4) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED, SETTLED OR DISCHARGED PURSUANT TO THE PLAN.

THE RIGHTS AFFORDED IN THE PLAN AND THE TREATMENT OF ALL CLAIMS AND INTERESTS HEREIN SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION OF ALL CLAIMS AND INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS FROM AND AFTER THE PETITION DATE, AGAINST THE DEBTORS OR ANY OF THEIR ASSETS, PROPERTY OR ESTATES. ON THE EFFECTIVE DATE, ALL SUCH CLAIMS AGAINST THE DEBTORS SHALL BE FULLY RELEASED AND DISCHARGED, AND THE INTERESTS SHALL BE CANCELLED.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR HEREIN OR IN OBLIGATIONS ISSUED PURSUANT HERETO FROM AND AFTER THE EFFECTIVE DATE, ALL CLAIMS AGAINST THE DEBTORS SHALL BE FULLY RELEASED AND DISCHARGED, AND ALL INTERESTS SHALL BE CANCELLED, AND THE DEBTORS' LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER SECTION 502(G) OF THE BANKRUPTCY CODE.

ALL PERSONS SHALL BE PRECLUDED FROM ASSERTING AGAINST THE DEBTORS, THE DEBTORS' ESTATES, THE REORGANIZED DEBTORS, EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, AND EACH OF THEIR ASSETS AND PROPERTIES, ANY OTHER CLAIMS OR INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS OR ANY ACT OR OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED BEFORE THE EFFECTIVE DATE.

G. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

H. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Persons, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend or refuse to renew a license, permit, charter, franchise or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors or another Person with whom such Reorganized Debtors have been associated, solely because one of the Debtors has been a debtor under chapter 11, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtor is granted or denied a discharge) or has not paid a debt that is dischargeable in the Chapter 11 Cases.

I. Release of Liens

Except as otherwise provided herein or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be and hereby are deemed to be fully released and discharged, and all of the right, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security

interests shall revert to the Reorganized Debtors and their successors and assigns. For the avoidance of doubt, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be, concurrently with the applicable distributions made pursuant to the Plan, and hereby are deemed to be fully released and discharged on the Effective Date without any further action of any party, including, but not limited to, further order of the Bankruptcy Court or filing updated schedules or statements typically filed pursuant to the Uniform Commercial Code.

ARTICLE X

CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE

A. Conditions Precedent to Confirmation

It shall be a condition to Confirmation hereof that the following provisions, terms and conditions shall have been satisfied or waived pursuant to the provisions of Article X.C.

1. The Bankruptcy Court shall have entered an order, which shall not be subject to any stay or subject to an unresolved request for revocation under section 1144 of the Bankruptcy Code, in form and substance reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers, approving the Disclosure Statement with respect to the Plan as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.

2. The Confirmation Order (a) shall be, in form and substance, reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers, (b) shall include a finding by the Bankruptcy Court that the New Common Stock to be issued on the Effective Date (other than the New Common Stock issued in the Private Placement) will be authorized and exempt from registration under applicable securities law pursuant to section 1145 of the Bankruptcy Code and (c) shall not be subject to any stay or subject to an unresolved request for revocation under section 1144 of the Bankruptcy Code.

3. The Plan and the Plan Supplement, including any schedules, documents, supplements and exhibits thereto shall, in form and substance, be reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers.

B. Conditions Precedent to the Effective Date

It shall be a condition to the Effective Date that the following provisions, terms and conditions shall have been satisfied or waived pursuant to the provisions of Article X.C.

1. The Bankruptcy Court shall have entered one or more orders (which may include the Confirmation Order) authorizing the assumption and rejection of Executory Contracts and Unexpired Leases by the Debtors as contemplated herein in form and substance acceptable to the Debtors, Avenue and the Backstop Purchasers.

2. The Exit Financing shall have been executed and delivered by all of the Persons that are parties thereto, and all conditions precedent to the consummation thereof shall have been waived, or satisfied in accordance with the terms thereof, and funding pursuant to the Exit Financing shall have occurred and the Exit Financing shall be acceptable to Debtors, Avenue and the Backstop Purchasers.

3. The Private Placement shall have been consummated.

4. The Confirmation Order, in form and substance, reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers, shall have been entered by the Bankruptcy Court and shall not be subject to any stay or subject to an unresolved request for revocation under section 1144 of the Bankruptcy Code.

5. All of the schedules, documents, supplements and exhibits to the Plan shall have been filed in form and substance reasonably acceptable to the Debtors, Avenue and the Backstop Purchasers.

6. All actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws.

C. Waiver of Conditions

The conditions to Confirmation of the Plan and to Consummation of the Plan set forth in this Article X may be waived at any time by the Debtors, subject to the consent of Avenue and the Backstop Purchasers; *provided, however*, that the Debtors may not waive entry of the Order approving the Disclosure Statement and the Confirmation Order.

D. Effect of Failure of Conditions

If the Consummation of the Plan does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any claims by or Claims against the Debtors; (2) prejudice in any manner the rights of the Debtors, any holders of Claims or any other Person; or (3) constitute an admission, acknowledgment, offer or undertaking by the Debtors, any holders or any other Person in any respect.

ARTICLE XI

MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

A. Modification and Amendments

Except as otherwise specifically provided herein, the Debtors reserve the right to modify the Plan as to material terms, subject to the consent of Avenue and the Backstop Purchasers and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtors expressly reserve their rights to alter, amend or modify materially the Plan with respect to any or all Debtors, subject to the consent of Avenue and the Backstop Purchasers, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend or modify the Plan or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan, in each case subject to the consent of Avenue and the Backstop Purchasers. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article XI.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of the Plan

The Debtors reserve the right to revoke or withdraw the Plan before the Effective Date, subject to the consent of Avenue and the Backstop Purchasers. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing

contained in the Plan shall: (a) constitute a waiver or release of any Claims or Interests; (b) prejudice in any manner the rights of such Debtor or any other Person; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by such Debtor or any other Person.

ARTICLE XII

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases and all matters, arising out of or related to, the Chapter 11 Cases and the Plan including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority, Secured or Unsecured status or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or Unsecured status, priority, amount or allowance of Claims;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable in any manner and to hear, determine and, if necessary, liquidate, any Claims arising therefrom, including Rejection Claims, Cure Claims pursuant to section 365 of the Bankruptcy Code or any other matter related to such Executory Contract or Unexpired Lease; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (c) the Reorganized Debtors amending, modifying or supplementing, after the Effective Date, pursuant to Article VI, any Executory Contracts or Unexpired Leases the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired.

4. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide or resolve any and all matters related to any Cause of Action;

7. adjudicate, decide or resolve any and all matters related to section 1141 of the Bankruptcy Code;

8. enter and enforce any order for the sale of property pursuant to sections 363, 1123 or 1146(a) of the Bankruptcy Code;

9. resolve any avoidance or recovery actions under sections 105, 502(d), 542 through 551 and 553 of the Bankruptcy Code;

10. resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with the Consummation, interpretation or enforcement of the Plan or any Person’s obligations incurred in connection with the Plan;

11. resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with or under the DIP Loan Agreement;

12. resolve any cases, controversies, suits, disputes or Causes of Action that may arise in connection with or under the Prepetition Term Loan Credit Agreement, Prepetition Revolving Loan Credit Agreement, Second Lien Notes Indenture and Senior PIK Notes Indenture;

13. issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with Consummation or enforcement of the Plan;

14. resolve any cases, controversies, suits, disputes or Causes of Action with respect to the discharge, releases, injunctions, exculpations, indemnifications and other provisions contained in Article IX and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

15. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

16. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement;

17. adjudicate any and all disputes arising from or relating to distributions under the Plan;

18. consider any modifications of the Plan, cure any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

20. hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan;

21. hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

22. hear and determine all disputes involving the existence, nature or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

23. enforce all orders previously entered by the Bankruptcy Court;

24. hear any other matter not inconsistent with the Bankruptcy Code; and

25. enter an order concluding or closing the Chapter 11 Cases.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to Article X.B, and notwithstanding Bankruptcy Rules 3020(e), 6004(h) or 7062 or any other Bankruptcy Rule, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors and any and all holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Persons that are parties to or are subject to the settlements, compromises, releases, discharges and

injunctions described in the Plan, each Person acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

B. Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan; *provided* that such agreements and documents are reasonably acceptable to Avenue and the Backstop Purchasers. The Debtors or Reorganized Debtors, as applicable, and all holders of Claims receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Dissolution of Creditors' Committee

On the Effective Date, the Creditors' Committee, if any, shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases.

D. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the Plan, any statement or provision contained in the Plan or any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests before the Effective Date.

E. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries or guardian, if any, of each Person.

F. Service of Documents

After the Effective Date, any pleading, notice or other document required by the Plan to be served or delivered shall be served as follows:

1. If to the Reorganized Debtors, to:

Vertis, Inc.
250 West Pratt Street
Floor 18
Baltimore, MD 21201
Attn: General Counsel

with copies to:

Skadden, Arps, Slate, Meagher and Flom LLP
4 Times Square
New York, New York 10036
Attn: Mark A. McDermott
Kenneth S. Ziman

2. If to Avenue, to:

Avenue Capital Group
535 Madison Avenue, 15th Floor
New York, NY 10022
Attn: Dan Flores

with copies to:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Ira Dizengoff

3. If to the Backstop Purchasers, to:

See signatures pages to Equity Commitment Agreement

With copies to:

Bracewell & Giuliani LLP
225 Asylum Street
Suite 2600
Hartford, Connecticut 06103-1516
Attn: Kurt A. Mayr, Esq.
Kurt.mayr@bgllp.com

After the Effective Date, the Debtors may, in their sole discretion, notify Persons that, in order to continue receiving documents pursuant to Bankruptcy Rule 2002, such Persons must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Persons receiving documents pursuant to Bankruptcy Rule 2002 to those Persons who have filed such renewed requests.

G. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and integrated into the Plan.

H. Severability of Plan Provisions

If, before Confirmation of the Plan, any term or provision of the Plan is held by the Bankruptcy Court or any other court exercising jurisdiction to be invalid, void or unenforceable, the Bankruptcy Court or other court exercising jurisdiction shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (3) nonseverable and mutually dependent.

I. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be available upon request to the Debtors' counsel, by contacting Skadden, Arps, Slate, Meagher and Flom LLP, 4 Times Square, New York, New York 10036, at the Bankruptcy Court's website at www.ecf.nysb.uscourts.gov or at the website of Kurtzman Carson Consultants LLC, at www.kccllc.net. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

J. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code and any applicable non-bankruptcy law, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale and purchase of Plan securities offered and sold under the Plan, and, therefore, will have no liability for the violation of any applicable law, rule or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale or purchase of the New Common Stock offered and sold under the Plan.

K. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

L. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control; *provided*, *however*, that if there is a conflict between this Plan and a Plan Supplement document, the Plan Supplement document shall govern and control.

Dated: December 9, 2010

Respectfully submitted,

Vertis Holdings, Inc.
(for itself and on behalf of Vertis Inc. and each of the Subsidiary Debtors)

By: /s/ *Gerald Sokol, Jr.*
Name: Gerald Sokol, Jr.
Title: Chief Financial Officer

Mark A. McDermott, Esq.
Kenneth S. Ziman, Esq.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, New York 10036
(212) 735-3000

Proposed Counsel for the Debtors and Debtors in Possession

EXHIBIT A TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

LIST OF REJECTED CONTRACTS AND LEASES

EXHIBIT A TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

LIST OF REJECTED CONTRACTS AND LEASES

Advisory Services Agreement, dated as of October 17, 2008, by and among, Vertis, Inc., Vertis Holdings, Inc., certain Vertis subsidiaries signatory thereto, and Avenue Investments, L.P.

Advisory Services Agreement, dated as of October 17, 2008, by and among, Vertis, Inc., Vertis Holdings, Inc., certain Vertis subsidiaries signatory thereto, TCW Shared Opportunity Fund V, L.P. and TCW Shared Opportunity Fund IVB, L.P., which Advisory Services Agreement terminated on or about January 7, 2010

Advisory Services Agreement, dated as of October 17, 2008, by and among, Vertis, Inc., Vertis Holdings, Inc., certain Vertis subsidiaries signatory thereto and Goldman, Sachs & Co., which Advisory Services Agreement terminated on or about January 7, 2010

Advisory Services Agreement, dated as of April 29, 2010, by and among Vertis, Inc., Vertis Holdings, Inc., TCW Shared Opportunity Fund V, L.P. and TCW Shared Opportunity Fund IVB, L.P.

Stockholders' Agreement dated as of October 17, 2008 among Vertis Holdings, Inc. and the stockholders of Vertis Holdings, Inc. signatory thereto from time to time, as amended, supplemented, modified or restated from time to time

Stadium Distribution Center Lease, dated December 18, 2007 between Legacy Rancho Cucamonga Associates, a California general partnership, and Vertis, Inc., a Delaware corporation, for the property located at 8970 Rochester Ave., Bldg. 1 Suite A, Rancho Cucamonga, CA 91730, as amended

Lease Agreement dated June 29, 1990, between Elk Grove Village Industrial Park Ltd., a Texas Limited Partnership d/b/a Elk Grove Village Industrial Park Ltd. and Vertis, Inc., a Delaware corporation, for the property located at 1221-1251 Mark Street, Elk Grove Village, IL 60007, as amended

Employment Agreement dated March 13, 2009, between Vertis Holdings, Inc., Vertis, Inc., and any of their respective successors, and Quincy Allen, and any and all agreements, incentives, or awards entered into in connection therewith

The Debtors expressly reserve the right to modify the foregoing list, whether by adding or deleting unexpired leases and/or executory contracts, on or prior to the Effective Date.

EXHIBIT B TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

NON-EXCLUSIVE LIST OF RETAINED CLAIMS AND CAUSES OF ACTION

ALL POTENTIAL CLAIMS AND/OR CAUSES OF ACTION NOT RELEASED PURSUANT TO ARTICLE IX.B OF THE PLAN, WHETHER NOTED HEREIN OR OTHERWISE, WILL BE INVESTIGATED FOLLOWING CONFIRMATION OF THE JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL. AND ACCORDINGLY ALL SUCH CAUSES OF ACTION AND CLAIMS, WHETHER NOTED ABOVE OR OTHERWISE, ARE EXPRESSLY RETAINED AND NOT WAIVED.

Any and all outstanding accounts receivable balances owed to one or more of the Debtors.

Any and all pre- or postpetition utility deposits.

Any and all pending federal, state and foreign tax actions and appeals.

Any and all rights and claims under contracts, leases, loan agreements, syndications, or any other agreements not cancelled pursuant to the Plan, including but not limited to collection actions and claims.

Any and all claims, rights of action, suits or proceedings, whether in law or in equity, whether known or unknown, that the Debtors or their Estates may hold against any Person, except such claims that are released under the Plan or the Confirmation Order, including but not limited to any actions before the U.S. Equal Employment Opportunity Commission, workers' compensation actions, garnishment actions, contested unemployment claims, and including but not limited to those with counter-parties Suzanne M. Ford, Piedad Mejia, John Nooney, John Doe (the name "John Doe" being fictitious), and ABC CORPORATION (the name ''ABC Corporation" being fictitious), Allen F. Bialek, John A. Olsson, Robert Caldwell, Jr., Joseph Packer, Alfredo Villa Milian, Mario Estrada, an Individual, "Lenche", an Individual, Jesus Anchondo, an Individual, Guadalupe Gomez, an Individual, "Dean", an Individual, Rene Soto, an Individual, Arnulfo Lara, an Individual, Adolfo Bedoy, an Individual; and DOES 1 through 25 inclusive, David Cutler Industries, Inc., Inkstop, Inc., Quebecor World, 717618-79 Bashas' Inc. et al., Official Committee of Unsecured Creditors of Sofa Express, Inc. On Behalf of Debtor's Estate, TWTR, Inc. et al., TWTR DIP, Boscov's Inc., Great Atlantic and Pacific Tea Company Bankruptcy (A&P Bankruptcy), ADS Creative Consulting Services, LLC Shana Jaycox, and Tracy Downey, The Scotts Company, et al., Michael Jordan, Jewel Food Stores, Inc., Supervalue Inc., Time Inc., Dennis Garberg and Associates, Inc. d/b/a The Sunflower Group, LANDL HOLDINGS, LLC, FirstPlus Facility Services, LLC, ShopRite of Haverford, ShopRite of Bensalem, Level 3 Communications, Inc., Michael Hoback, Kenneth J. Woods and Corporate Representative of The Segerdahl Corporation, John Ross, Randy Ruhl v Central Illinois Railroad Holdings, Inc., Central Illinois Railroad Company, Union Pacific Railroad Company, Patrick Donahue, Richard Osborne, Harris To, Lisa Anne Gaeta, DOES 1-10.

Any and all objections to claims asserted under Bankruptcy Code section 503(b) against one or more of the Debtors, whether based upon claims filed on the Debtors' claims registry or otherwise asserted.

Any and all objections to secured claims against one or more of the Debtors, whether based upon claims filed on the Debtors' claims registry or otherwise asserted.

Any and all objections to claims asserted under Bankruptcy Code section 507 against one or more of the Debtors, whether based upon claims filed on the Debtors' claims registry or otherwise asserted.

Nothing herein shall preserve any causes of action or claims that are expressly released or waived under the Plan.

EXHIBIT C TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

REORGANIZED VERTIS HOLDINGS' CERTIFICATE OF INCORPORATION

THIRD AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
VERTIS HOLDINGS, INC.

Vertis Holdings, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware ("**DGCL**"), hereby certifies as follows:

1. The name of the corporation is Vertis Holdings, Inc.

2. The certificate of incorporation of the corporation was originally filed with the Secretary of State of the State of Delaware on October 14, 1997 under the name Big Flower Holdings, Inc.

3. The corporation filed a petition for a reorganization under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") on November 17, 2010.

4. This Third Amended and Restated Certificate of Incorporation has been deemed approved without the need for board of directors or stockholder approval pursuant to Section 303 of the DGCL because it is adopted pursuant to the Amended Joint Prepackaged Plan of Reorganization of Vertis Holdings, Inc., *et al.*, dated December [___], 2010, as confirmed on [_____] by the United States Bankruptcy Court for the District of Delaware, and is being filed pursuant to Sections 245 and 303 of the DGCL.

5. The certificate of incorporation of the corporation, as amended, is hereby amended and restated in its entirety to read as follows:

FIRST: The name of the corporation is Vertis Holdings, Inc. (the "**Corporation**").

SECOND: The registered office of the Corporation within the State of Delaware is 2711 Centerville Road, Suite 400, City of Wilmington 19808, County of New Castle. The registered agent of the Corporation within the State of Delaware is Corporation Service Company, the business office of which is identical to the registered office of the Corporation.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law, as from time to time amended (the "**DGCL**").

FOURTH: The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is fifty million (50,000,000) shares of capital stock, consisting of (i) forty million (40,000,000) shares of common stock, par value $0.001 per share ("**Common Stock**"), and (ii) ten million (10,000,000) shares of preferred stock, par value $0.001 per share ("**Preferred Stock**").

The statement of the relative rights, preferences, privileges and limitations of the shares of each class is as follows:

1. *Terms of the Common Stock.*

(a) *Equal Rights*. Each share of Common Stock of the Corporation shall have the same rights, preferences, privileges, interests and attributes, and shall be subject to the same limitation, as every other share of Common Stock of the Corporation.

(b) *Voting*. At each annual or special meeting of stockholders, each holder of Common Stock shall be entitled to one (1) vote in person or by proxy for each share of Common Stock standing in such Person's name on the stock transfer records of the Corporation in connection with the election of directors and all other actions submitted to a vote of stockholders. Notwithstanding the foregoing, except as otherwise required by law or this Third Amended and Restated Certificate of Incorporation (including a Preferred Stock Designation), holders of Common Stock shall not be entitled to vote on any amendment to this Third Amended and Restated Certificate of Incorporation (including any amendment to any Preferred Stock Designation) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Third Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation).

(c) *Dividends and Other Distributions*. Subject to the rights of the holders of Preferred Stock, if any, the record holders of the Common Stock shall be entitled to receive such dividends and other distributions in cash, stock, evidences of indebtedness or property of the Corporation as may be declared thereon by the Corporation's board of directors (the "**Board of Directors**") out of funds legally available therefor and shall share equally on a per share basis in such dividends and distributions.

(d) *Liquidation*. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and subject to the rights of the holders of the Preferred Stock, if any, the holders of shares of Common Stock shall be entitled to participate pro rata at the same rate per share of Common Stock in all distributions to the holders of Common Stock in any liquidation, dissolution or winding up of the Corporation.

2. *Terms of the Preferred Stock.*

Shares of the Preferred Stock of the Corporation may be issued from time to time in one or more classes or series, each of which class or series shall have such distinctive designation or title as shall be fixed by the Board of Directors prior to the issuance of any shares thereof. Each such class or series of Preferred Stock shall have such voting powers, full or limited, or subject to Article TENTH hereof, no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in such resolution or resolutions providing for the issue of such class or series of Preferred Stock as may be adopted from time to time by the Board of Directors prior to the issuance of any shares thereof pursuant to the authority hereby expressly vested in the Board of Directors and shall be included in a certificate of designations (a "**Preferred Stock Designation**"), all in accordance with the DGCL.

3. *Limitation on Number of Record Holders.*

Notwithstanding anything set forth in this Third Amended and Restated Certificate of Incorporation or the Stockholders' Agreement, or the compliance with any of the terms hereof or thereof, no Transfer of Common Stock or Preferred Stock shall be effective, and any such Transfer of Common Stock or Preferred Stock, if any, shall be deemed null and void, if, as a result of any such Transfer, the record number of holders of the Corporation's equity securities would exceed 450.

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation, and of its directors and stockholders:

1. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. The election of directors need not be by written ballot.

2. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors or the Stockholders are expressly authorized to alter, amend, repeal, in whole or in part, or adopt new Bylaws of the Corporation (the "**Bylaws**"), provided, however, that notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such meeting of the Stockholders or the Board of Directors as the case may be. All such amendments must be approved by the Board of Directors or the affirmative vote of the holders of not less than a majority of the outstanding shares of capital stock entitled to vote at such meeting of the Stockholders.

3. No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted by the DGCL as the same exists or hereafter may be amended. If the DGCL is hereafter amended to authorize corporate action further limiting or eliminating the liability of directors, then the liability of a director to the Corporation or its stockholders shall be limited or eliminated to the fullest extent permitted by the DGCL, as so amended. Any repeal or amendment of this Article FIFTH, Section 3 by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Third Amended and Restated Certificate of Incorporation inconsistent with this Article FIFTH, Section 3 will, unless otherwise required by law, be prospective only, and will not in any way diminish or adversely affect any right or protection existing at the time of such repeal or amendment or adoption of such inconsistent provision in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

4. To the maximum extent permitted from time to time under the DGCL, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business operations relating directly or indirectly to the Print Media Business that are from time to time presented to its directors other than in their capacity as a director of the Corporation and other than those directors who are employees of the Corporation. "**Print Media Business**" shall mean (a) print advertising, direct marketing solutions and related value added services and (b) marketing products that create strategic value by using creative

advertising, color management technologies, proprietary research, customer targeting expertise, premedia and media services.

5. *Election of Directors; Voting.*

(a) The number of directors constituting the Board of Directors shall be seven (7).

(b) All decisions of the Board of Directors must be approved by at least five (5) directors unless less than five (5) directors are then serving on the Board of Directors, in which case all decisions of the Board of Directors must be approved by all of the directors.

SIXTH: Indemnification.

1. Each Person who is or was made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**") by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter a "**Covered Person**"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized or permitted by applicable law, as the same exists or may hereafter be amended, against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA excise taxes and penalties and amounts paid in settlement) reasonably incurred or suffered by such Covered Person in connection with such proceeding, and such right to indemnification shall continue as to a Person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall indemnify a Covered Person in connection with a proceeding (or part thereof) initiated by such Covered Person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred by this Article SIXTH shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any such proceeding in advance of its final disposition.

2. Any indemnification of a Covered Person or advance of expenses under Section 5 of this Article SIXTH shall be made promptly, and in any event within thirty days, upon the written request of the applicable Covered Person. If determination by the Corporation that the Covered Person is entitled to indemnification pursuant to this Article SIXTH is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not made within thirty days, the right to indemnification or advances as granted by this Article SIXTH shall be enforceable by the Covered Person in any court of competent jurisdiction. Such Covered Person’s costs and expenses incurred in connection with successfully

establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including the Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

3. The rights conferred on any Covered Person by this Article SIXTH shall not be exclusive of any other rights which any Covered Person may have or hereafter acquire under law, this Third Amended and Restated Certificate of Incorporation, the Bylaws, an agreement, vote of stockholders or disinterested directors, or otherwise.

4. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any Covered Person against any liability asserted against such Covered Person and incurred by such Covered Person in his or her capacity as a Covered Person, whether or not the Corporation would have the power to indemnify such Covered Person against such liability under this Article SIXTH.

5. Expenses incurred by any Covered Person in defending a proceeding described in Section 1 of this Article SIXTH shall be paid by the Corporation in advance of such proceeding's final disposition, upon receipt of an undertaking by or on behalf of the Covered Person to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate.

6. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person shall be reduced by any amount such Covered Person actually collects as indemnification or advancement of expenses from such other corporation or of a partnership, joint venture, trust or other enterprise; provided, however, that no such Covered Person shall be required to seek recovery from any other entity or enterprise. In the event that any Covered Person is entitled to indemnification hereunder and such Covered Person is also entitled to, or has received, indemnification by any of its Affiliates (whether by way of payment or reimbursement to a director of any such amounts), whether pursuant to any agreement, the governing or constituent documents of any entity or by applicable law, then (i) the Corporation acknowledges and agrees that, as between the Corporation and its Affiliates, on the one hand, and the Affiliates of such person, on the other hand, the indemnification obligations of the Corporation and its Affiliates shall be a primary obligation and the indemnification obligation of the Affiliates of such person shall be a secondary obligation; and (ii) the Affiliates of such person shall be subrogated to the rights of the director against the Corporation and its Affiliates, as the

case may be, with respect to any amounts paid by the Affiliates of such person in connection with any such indemnification obligation.

7. Any repeal or amendment of this Article SIXTH by the stockholders of the Corporation or by changes in law, or the adoption of any other provision of this Third Amended and Restated Certificate of Incorporation inconsistent with this Article SIXTH, will, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to provide broader indemnification rights on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing at the time of such repeal or amendment or adoption of such inconsistent provision in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision.

8. This Article SIXTH shall not limit the right of the Corporation, to the extent and in the manner authorized or permitted by law, to indemnify and to advance expenses to Persons other than Covered Persons.

9. To the fullest extent permitted by the DGCL, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for an act or omission in such director's capacity as a director of the Corporation. Specifically, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except that this provision shall not eliminate or limit liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the director derived an improper personal benefit. The foregoing elimination of liability to the Corporation or its stockholders for monetary damages is not exclusive of any other rights or limitations of liability or indemnity to which a director may be entitled under any other provision of the Certificate of Incorporation or By-laws of the Corporation, contract or agreement, vote of stockholders and/or disinterested directors, or otherwise.

SEVENTH: The Corporation and each holder of shares of Common Stock are deemed to be parties to, and bound by, the terms and provisions of the Stockholders' Agreement. The following provisions are inserted to promote the terms and conditions set forth therein.

1. *Voting Provisions relating to Board of Directors.* Pursuant to Article IV of the Stockholders' Agreement, the holders of shares of Common Stock parties thereto are obligated to vote their shares of Common Stock to constitute the Board of Directors as provided in the Stockholders' Agreement.

2. *Preemptive Rights.* Any issuance of Securities by the Corporation, other than Excluded Securities (as defined in the Stockholders' Agreement) shall be subject to the preemptive rights of certain holders of Common Stock as set forth in Article III of the Stockholders' Agreement.

3. *Restrictions on Transfer.* The Transfer of shares of capital stock of the Corporation is subject to certain restrictions set forth in Article II of the Stockholders'

Agreement, including, but not limited to, rights of first refusal in favor of each Principal Stockholder and drag along rights, and no Transfer may be effected except in compliance with the provisions of the Stockholders' Agreement.

4. *Parties to Stockholders' Agreement*. The Stockholders' Agreement is binding on each holder of shares of capital stock of the Corporation from time to time, including but not limited to any transferee. A copy of the Stockholders' Agreement will be provided by the Corporation to any Stockholder upon request.

EIGHTH: The Corporation elects not to be governed by Section 203 of the DGCL.

NINTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws.

TENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Third Amended and Restated Certificate of Incorporation, in any manner now or hereafter prescribed by statute, and all rights conferred upon any stockholder of the Corporation herein are granted subject to this reservation.

ELEVENTH: Subject to further amendment of this Third Amended and Restated Certificate of Incorporation of the Corporation, as provided by applicable law, the Corporation shall not issue any non-voting equity securities in violation of section 1123(a)(6) of the Bankruptcy Code.

TWELFTH: Certain terms which are capitalized but not defined herein shall have the meaning set forth in Annex A hereto.

[Signature Page Follows]

IN WITNESS WHEREOF, Vertis Holdings, Inc. has caused this certificate to be signed by _____, its Secretary, on the _____ day of _____.

VERTIS HOLDINGS, INC.

By: _____
Name:
Title: Secretary

ANNEX A
TO THE THIRD AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF
VERTIS HOLDINGS, INC.

CERTAIN DEFINITIONS

For purposes of this Third Amended and Restated Certificate of Incorporation, in addition to the other terms defined herein, the following terms shall have the following meanings:

"**Affiliate**" means, with respect to any Person, (a) any other Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person and/or one or more Affiliates thereof and (b) such Person's clients and funds under management over which such Person, or an Affiliate of such Person, exercises exclusive investment authority.

"**Control**" means, (including, with correlative meaning, the terms "controlling," "controlled by" and "under common control with") with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or investment decisions of such Person, whether through the ownership of voting Securities, by contract or otherwise.

"**Equity Incentive Plan**" means any other plan or agreement established, or entered into, by the Corporation for the purposes of issuing Securities to any employee, officer, consultant or director of the Corporation or its Subsidiaries as compensation.

"**Equity Incentive Shares**" means shares of capital stock of the Corporation issued pursuant to, or acquired in connection with, the terms of any Equity Incentive Plan.

"**Governmental Authority**" means any domestic or foreign government or political subdivision thereof , whether on a Federal, state or local level and whether executive, legislative or judicial in nature, including any agency, authority, board, bureau, commission, court, department or other instrumentality thereof .

"**Largest Stockholder**" means, as of any particular time, the Stockholder that, together with its Affiliates, has the greatest Percentage Ownership.

"**Percentage Ownership**" means, with respect to any Stockholder, the fraction, expressed as a percentage, the numerator of which is the total number of shares of Common Stock held by such Stockholder and the denominator of which is the total number of shares of Common Stock issued and outstanding at the time of determination held by all Stockholders (excluding, from each of the numerator and the denominator above, any options, warrants, convertible debt obligations or similar Securities, and all Equity Incentive Shares).

"**Person**" shall be construed as broadly as possible and shall include an individual person, a partnership (including a limited liability partnership), a corporation, an association, a joint

stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and a Governmental Authority.

"**Principal Stockholder**" means any Stockholder who, together with its Affiliates, has a Percentage Ownership of at least four percent (4%).

"**Second Largest Stockholder**" means, as of any particular time, the Stockholder that, together with its Affiliates, has the second greatest Percentage Ownership.

"**Securities**" means "securities" as defined in Section 2(1) of the Securities Act of 1933, as amended, and includes, with respect to any Person, such Person's capital stock or other equity interests or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such Person's capital stock.

"**Stockholders**" means the holders, from time to time, of shares of Common Stock or Preferred Stock of the Corporation.

"**Stockholders' Agreement**" means the Stockholders' Agreement dated as of [_____], among the Corporation and each holder of shares of Common Stock from time to time, as amended, supplemented, modified or restated from time to time.

"**Subsidiary**" means, at any time, with respect to any Person (the "**Subject Person**"), any other Person of which either (a) 50.0% or more of the Securities or other interests entitled to vote in the election of directors or comparable governance bodies performing similar functions or (b) 50.0% or more of an interest in the profits or capital of such Person, in each case, are at the time owned or Controlled directly or indirectly by the Subject Person or through one or more Subsidiaries of the Subject Person.

"**Transfer**" means, in respect of shares of Common Stock or Preferred Stock, any direct or indirect issuance, sale, assignment, trade, transfer, participation, gift, bequest, distribution or other disposition of such shares, or any pledge or hypothecation thereof, placement of a lien thereon or grant of a security interest therein or other encumbrance thereon, in each case whether voluntary or involuntary, by operation of law, merger, recapitalization, consolidation or otherwise. Notwithstanding anything to the contrary contained herein, Transfer shall not include the sale or transfer of shares of Common Stock or Preferred Stock by any Stockholder to the Corporation or pursuant to any employment, option, subscription or restricted stock purchase agreement between the Corporation and such Stockholder or any plan relating to the foregoing.

EXHIBIT D TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

BY-LAWS OF REORGANIZED VERTIS HOLDINGS

SECOND AMENDED AND RESTATED BY-LAWS OF

VERTIS HOLDINGS, INC.
(hereinafter called the "Corporation")

ARTICLE I.

OFFICES

Section 1. Registered Office. The registered office of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine.

ARTICLE II.

MEETINGS OF STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose may be held at such time and place, either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meeting. The annual meetings of stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meetings the stockholders entitled to vote thereon shall elect by a plurality vote a Board of Directors, and by a majority vote in accordance with Section 6 of this Article II, transact such other business as may properly be brought before the meeting. Written notice of the annual meeting of the stockholders stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, special meetings of stockholders, for any purpose or purposes, may be called by either the Chairman, if there be one, or the President and shall be called by the Chairman (if there be one), the President or the Secretary at the request in writing of a majority of the Board of Directors or the holders of at least 15% of the stock entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. No business shall be conducted at a special meeting of the stockholders except as specified in the notice for such meeting. If at any time a stockholder or group of stockholders having the right, pursuant to Article IV of the

Stockholders' Agreement, to designate a director notifies the President of such stockholder's or group of stockholders' intent to remove or designate such director (including, but not limited, to the filling of a vacancy created by the death, resignation or removal of such director), the President shall promptly call a special meeting of stockholders, and the written notice of such special meeting shall specify the director or directors to be so removed or elected at such special meeting as designated by such stockholder or group of stockholders.

Section 4. Advance Notification of Business to be Transacted at Annual Meetings. No business may be transacted at an annual meeting of stockholders, other than business that is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 4 and on the record date for the determination of stockholders entitled to vote at such annual meeting and (ii) who complies with the notice procedures set forth in this Section 4.

In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or mailed and received at the principal executive offices of the Corporation not less than thirty (30) days nor more than sixty (60) days prior to the date of the annual meeting; provided, however, that in the event that less than forty (40) days' notice or prior public disclosure of the date of the annual meeting is given or made to stockholders, notice by the stockholder in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs.

To be in proper written form, a stockholder's notice to the Secretary must set forth as to each matter such stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of such stockholder, (iii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially or of record by such stockholder, (iv) a description of all material arrangements or understandings between such stockholder and any other person or persons in connection with the proposal of such business by such stockholder and any material interest of such stockholder in such business and (v) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 4, provided, however, that, once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 4 shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an annual meeting

determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairman shall declare to the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Section 5. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

Section 6. Voting. Unless otherwise required by law, the Certificate of Incorporation or these By-Laws, any question brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote thereat. Each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy but no proxy shall be voted on or after three years from its date, unless such proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 7. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

Section 8. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 7 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 9. Consent of Stockholder in Lieu of Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken at any Annual or Special Meeting of Stockholders of the Corporation, may be taken without a meeting, without

prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered in the manner required by this Section 9 to the Corporation, written consents signed by a sufficient number of holders to take action are delivered to the Corporation by delivery to its registered office in the state of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meeting of stockholders are recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided above in this section.

ARTICLE III.

DIRECTORS

Section 1. Designation of Directors. Directors shall be designated in accordance with the Certificate of Incorporation and Article IV of the Stockholders' Agreement dated as of [_____], among the Corporation and the holders from time to time of the Corporation's common stock (the "Stockholders Agreement"). Any director may resign at any time upon written notice to the Corporation. Directors need not be stockholders.

Section 2. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 3. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the President, or any two directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone or electronic transmission on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstance.

Section 4. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these By-Laws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 5. Actions of Board. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof my be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper productions thereof) are filed with the minutes of proceedings of the Board of Directors or committee.

Section 6. Meetings by Means of Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these By-Laws, members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means can hear each other, and participation in a meeting pursuant to this Section 6 shall constitute presence in person at such meeting.

Section 7. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation in accordance with and subject to the terms of the Certificate of Incorporation and the Stockholders' Agreement. Any committee, to the extent allowed by law and provided in the resolution establishing such committee shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Each committee shall report to the Board of Directors, and shall keep complete and accurate minutes and records and shall promptly distribute such minutes and records to each member of the Board of Directors when requested.

Section 8. Compensation. Subject to the provisions of the Stockholders' Agreement, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 9. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or

their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Section 10. Vacancies. Any vacancy occurring in the Board of Directors (including vacancies that result from an increase in the number of directors) may be filled (a) by election at an annual meeting of the stockholders or a special meeting of the stockholders called for that purpose or (b) by a majority of the directors then in office, although less than a quorum, or by the sole remaining director, in each case in accordance with Article IV of the Stockholders' Agreement.

ARTICLE IV.

OFFICERS

Section 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chairman of the Board of Directors (who must be a director) and a Secretary. The Board of Directors, in its discretion, may also choose a President and one or more Vice Presidents, Assistant Secretaries, a Treasurer, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

Section 2. Election. The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers of the Corporation shall be fixed by the Board of Directors.

Section 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the President or any Vice President and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any

meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Chairman of the Board of Directors. The Chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors. Except where by law the signature of the President is required, the Chairman of the Board of Directors shall possess the same power as the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 5. President. The President shall, subject to the control of the Board of Directors and the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these By-Laws, the Board of Directors or the President. In the absence or disability of the Chairman of the Board of Directors, the President shall preside at all meetings of the stockholders and the Board of Directors. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these By-Laws or by the Board of Directors.

Section 6. Vice Presidents. At the request of the President or in his absence or in the event of his inability or refusal to act (and if there be no Chairman of the Board of Directors), the Vice President or the Vice Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 7. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant

Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates be kept or filed are properly kept or filed, as the case may be.

Section 8. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 9. Assistant Secretaries. Except as may be otherwise provided in these By-laws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

Section 10. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President or any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of this death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 11. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the

Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V.

STOCK

Section 1. Form of Certificates. In accordance with Section 8.1 of the Stockholders' Agreement, no certificates representing shares of stock of the Corporation shall be issued unless approved by the Board of Directors. Any certificate shall be signed, in the name of the Corporation (i) by the Chairman of the Board of Directors, the President or a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, and shall bear the legend specified in Section 8.2 of the Stockholders' Agreement.

Section 2. Signatures. Any or all of the signatures on a certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfers. Subject to the requirements set forth in the Certificate of Incorporation and the Stockholders' Agreement, the capital stock of the Corporation shall be transferable in the manner prescribed by law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be canceled before a new certificate shall be issued.

Section 5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice

of or to vote a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VI.

NOTICES

Section 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by electronic transmission.

Section 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these By-Laws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed, by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VII.

GENERAL PROVISIONS

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 3. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE VIII.

AMENDMENTS

Section 1. General. Subject to the provisions of the Company's Certificate of Incorporation, as amended, and the Stockholders' Agreement, these By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors, provided, however, that notice of such alteration, amendment, repeal or adoption of new By-Laws be contained in the notice of such meeting of stockholders or Board of Directors as the case may be. Subject to the provisions of the Company's Certificate of Incorporation, as amended, and the Stockholders Agreement, all such amendments must be approved by either the Board of Directors or the affirmative vote of the holders of not less than a majority of the outstanding shares of capital stock entitled to vote at such meeting of the stockholders.

Section 2. Entire Board of Directors. As used in this Article IX and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

APPENDIX I TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

AVENUE BACKSTOP AGREEMENT

APPENDIX I

AVENUE CAPITAL MANAGEMENT

November 1, 2010

Vertis, Inc.
9775 Walnut Street
Suite D1
Boulder, CO 80301
Attention: Mr. Gerald Sokol, Jr.
Chief Financial Officer

Re: $80,000,000 First-Lien Term Loan Backstop Commitment

Ladies and Gentlemen:

Reference is made to a restructuring (the "Restructuring") of the outstanding obligations of Vertis Holdings, Inc. ("Vertis Holdings") and all of its direct and indirect affiliates, (collectively, the "Company") under that certain term loan credit agreement dated October 17, 2008, as amended, restated, supplemented or otherwise modified as of the date hereof, by and among Vertis Inc,. as borrower, Vertis Holdings and certain of its subsidiaries listed as guarantors thereto, Ableco Finance LLC in its capacity as administrative agent, or any successor agent thereunder, and the financial institutions party thereto as lender (the "Term Loan Credit Agreement"), the Second Lien Notes Indenture and the Senior PIK Notes Indenture to be effectuated either (a) out-of-court (an "Out-of-Court Transaction") pursuant to the amended offering memorandum and consent solicitation statement relating to the Second Lien Notes and Senior PIK Notes, dated November 1, 2010 (as supplemented or modified, the "Offering Memorandum"), or (b) in court (an "In-Court Transaction") pursuant to a joint prepackaged chapter 11 plan of reorganization (the "Plan"). Capitalized terms used in this letter agreement (the "Avenue Backstop Agreement") and not otherwise defined herein shall have the meanings provided in the Exchange Offer or the Plan, as applicable.

The Restructuring proposes, among other things, that the Company will obtain replacement financing in either an in court transaction or an out of court transaction by raising (a) a first-lien term loan facility (the "Replacement Term Loan") and (b) an asset-backed revolving loan/letter of credit facility (the "Replacement Revolver," and together with the Replacement Term Loan, the "Replacement Facility").

To provide assurance that the Replacement Facility will be fully funded, Avenue Investments, L.P., Avenue-CDP Global Opportunities Fund, L.P., Avenue International Master, L.P., Avenue Special Situations Fund IV, L.P. and Avenue Special Situations Fund V, L.P. (collectively, "Avenue" or the "Backstop Purchasers") hereby commit that, in the event the Company is unable to obtain the full amount of the Replacement Term Loan contemplated by the Restructuring, Avenue shall assign to the Company on the date of closing of the Out-of-Court Transaction or Effective Date of the Plan, as applicable, claim(s) arising under or in connection

with the Term Loan Credit Agreement, including claim(s) on account of Vertis Holdings' or its subsidiaries' guarantee of Vertis, Inc.'s obligations arising under or in connection with the Term Loan Credit Agreement (the "Term Loan Claims") held by Avenue in exchange for up to $80 million of the Replacement Term Loan (the "Avenue Backstop Commitment") on the terms described herein, in the Offering Memorandum and in the Plan. The face amount of Term Loan Claims to be so exchanged shall be equal to the amount by which $425 million exceeds the aggregate amount of Replacement Term Loan received by or irrevocably committed to the Company from third parties (excluding the commitment letter dated on or about November 1, 2010 between the Company and Morgan Stanley Senior Funding, Inc. relating to the Replacement Term Loan (the "Commitment Letter"), but in no event in excess of $80 million. In the event any lender under the Replacement Term Loan receives any upfront or funding fee (including in the form of original issue discount) in connection with its commitment and/or funding of the Replacement Term Loan, the Company agrees that it shall pay in cash a corresponding amount to the Backstop Purchasers in respect to the portion of Avenue Backstop Commitment utilized hereunder. For the avoidance of doubt, the Avenue Backstop Commitment shall not be funded in cash. The Backstop Purchasers represent that they are Accredited Investors.

The obligation of the Backstop Purchasers is conditioned upon the following: (a) the commitment amounts and terms and conditions of the Replacement Term Loan and Replacement Revolver (including, without limitation, that (x) the Replacement Term Loan shall not exceed $425 million and (y) the Backstop Purchasers shall receive full voting rights on account of the portion of the Replacement Term Loan that is acquired by the Backstop Purchasers) shall be satisfactory to the Backstop Purchasers in their sole discretion, provided, that, the other terms and conditions in such Replacement Term Loan and Replacement Revolver consistent with those set forth in the Commitment Letter shall be deemed satisfactory to the Backstop Purchasers, (b) "successful syndication" (as defined in Commitment Letter) shall have occurred, (c) no fees shall be paid to or payable by the arranger or underwriter of the Replacement Term Loan on the portion of the Replacement Term Loan that is acquired by the Backstop Purchasers pursuant to the Avenue Backstop Agreement, (d) in the case of an Out-of-Court Transaction, consummation of the Exchange Offer, and (e) in the case of an In-Court Transaction, entry by the Bankruptcy Court of an order (which is not subject to any stay) confirming the Plan (with such changes as are satisfactory to the Backstop Purchasers) (the Plan in the form confirmed by the Bankruptcy Court, the "Confirmed Plan"), authorizing the Company to execute this Avenue Backstop Agreement and authorizing and approving the transactions contemplated herein, including (without limitation) the payment of all consideration and fees contemplated herein and therein, and authorizing the indemnification provisions set forth in this Avenue Backstop Agreement, and such Confirmed Plan becoming effective, on or before the date that is 120 calendar days after the date on which the Company has commenced its chapter 11 cases.

Whether or not the transactions contemplated hereby are consummated, the Company agrees to: (x) pay within 10 business days of demand the reasonable and documented out-of-pocket fees, expenses, disbursements and charges of the Backstop Purchasers incurred previously or in the future relating to the exploration and discussion of the Restructuring, alternative financing structures to the Avenue Backstop Commitment or to the preparation and negotiation of this Avenue Backstop Agreement, the Plan, the Equity Commitment Agreement, the Plan Documents or the Corporate Governance Documents (including, without limitation, in

connection with the enforcement or protection of any rights and remedies under the Corporate Governance Documents) and, in each of the foregoing cases, the proposed documentation and the transactions contemplated thereunder, including, without limitation, the fees and expenses of counsel to the Backstop Purchasers and (y) indemnify and hold harmless the Backstop Purchasers and their respective general partners, members, managers and equity holders, and the respective officers, employees, affiliates, advisors, agents, attorneys, financial advisors, accountants, consultants of each such entity, and to hold the Backstop Purchasers and such other persons and entities (each an "Indemnified Person") harmless from and against any and all losses, claims, damages, liabilities and expenses, joint or several, which any such person or entity may incur, have asserted against them or be involved in as a result of or arising out of or in any way related to this letter, the matters referred to herein, the Plan, the Equity Commitment Agreement, the proposed Avenue Backstop Commitment contemplated hereby, the use of proceeds thereunder or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing (other than disputes solely among Backstop Purchasers), regardless of whether any of such Indemnified Persons is a party thereto, and to reimburse each of such Indemnified Persons upon 10 business days of demand for any legal or other expenses incurred in connection with any of the foregoing; provided, however, that the foregoing indemnity shall not, as to any Backstop Party, apply to Losses to the extent they are determined by a final order of a court of competent jurisdiction to have resulted from the fraud, willful misconduct or gross negligence of such Backstop Party. Notwithstanding any other provision of this letter, no Indemnified Person will be liable for any special, indirect, consequential or punitive damages in connection with its activities related to the Avenue Backstop Commitment. The terms set forth in this paragraph survive termination of this Avenue Backstop Agreement and shall remain in full force and effect regardless of whether the documentation for the Offering is executed and delivered.

This letter (a) is not assignable by the Company without the prior written consent of the Backstop Purchasers (and any purported assignment without such consent shall be null and void), and (b) is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto. Notwithstanding the foregoing, the Backstop Purchasers may assign all or any portion of their obligations hereunder to an affiliate of the Backstop Purchasers, and no Debtor's consent shall be required for such an assignment to an affiliate of the Backstop Purchasers; provided, that the Backstop Purchaser assignor(s) shall not be relieved of its obligations hereunder in the event that the assignee(s) does not fulfill the obligations so assigned.

This Avenue Backstop Agreement sets forth the agreement of the Backstop Purchasers to fund the Avenue Backstop Commitment on the terms described herein and shall be considered withdrawn if the Backstop Purchasers have not received from the Company a fully executed counterpart to this Avenue Backstop Agreement on or before November 1, 2010 at 11:59 PM (ET), unless such deadline is extended by the Backstop Purchasers.

The obligations of the Backstop Purchasers to fund the Avenue Backstop Commitment shall terminate and all obligations of the Company (other than the obligations of the Company to (i) pay the reimbursable fees and expenses, and (ii) satisfy their indemnification obligations, in each case, as set forth herein) shall be of no further force or effect, upon the giving of written notice of termination by the Backstop Purchasers, only in the event that any of the termination

events set forth in the Restructuring Support Agreement dated November 1, 2010 or Equity Commitment Agreement shall occur, unless any such termination event is expressly waived in writing hereunder by the Backstop Purchasers; provided, however that any such termination event cannot be waived by the Backstop Purchasers in the event that such termination event under the Restructuring Support Agreement or the Equity Commitment Agreement is in favor of or exercisable only by the Company.

THIS COMMITMENT LETTER WILL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

This Avenue Backstop Agreement may not be amended or waived except in writing signed by the Company and the Backstop Purchasers. This Avenue Backstop Agreement may be executed in any number of counterparts, each of which will be an original, and all of which, when taken together, will constitute one agreement. Delivery of an executed counterpart of this Backstop Commitment Agreement by facsimile or portable document format (PDF) will be effective as delivery of a manually executed counterpart of this Avenue Backstop Agreement.

This Avenue Backstop Agreement and the Plan are part of a proposed settlement of matters that could otherwise be the subject of litigation among the parties hereto. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Avenue Backstop Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Avenue Backstop Agreement.

This Avenue Backstop Agreement constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and replaces and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter hereof and shall become effective and binding upon (i) the mutual exchange of fully executed counterparts and (ii) the entry of the order confirming the Plan.

If the foregoing is in accordance with your understanding of our agreement, please sign this letter in the space indicated below and return it to us.

Very truly yours,

[SIGNATURE PAGES TO FOLLOW]

ACCEPTED AND AGREED THIS [ ] DAY OF [ ], 2010:

VERTIS, INC.

By: _____

Name: Gerald Sokol, Jr.
Title: Chief Financial Officer

ACCEPTED AND AGREED THIS [ ] DAY OF OCTOBER 2010:

AVENUE CAPITAL MANAGEMENT II, L.P.,
on behalf of:

AVENUE INVESTMENTS, L.P.
AVENUE SPECIAL SITUATIONS FUND IV, L.P.
AVENUE SPECIAL SITUATIONS FUND V, L.P.
AVENUE-CDP GLOBAL OPPORTUNITIES FUND, L.P.
AVENUE INTERNATIONAL MASTER, L.P.

By: Avenue Capital Management II GenPar, LLC,
its General Partner

By: _____
Name: Sonia E. Gardner
Title: Member

APPENDIX II TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

EQUITY COMMITMENT AGREEMENT

EXECUTION COPY

EQUITY COMMITMENT AGREEMENT

by and among

VERTIS HOLDINGS, INC.,

VERTIS, INC.,

THE ADDITIONAL COMPANY PARTIES SET FORTH HEREIN

and

the backstop parties set forth herein

Dated as of November 1, 2010

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EQUITY COMMITMENT AGREEMENT

This Equity Commitment Agreement (this "**Agreement**"), dated as of November 1, 2010, is made and entered into by and among (i) Vertis Holdings, Inc., a Delaware corporation ("**Vertis Holdings**"), Vertis, Inc., a Delaware corporation ("**Vertis**"), and the direct and indirect subsidiaries of Vertis Holdings signatory hereto (together with Vertis Holdings and Vertis, the "**Company Parties**"), and (ii) the Backstop Parties identified on Annex I hereto (the "**Backstop Parties**").

RECITALS

WHEREAS, Vertis Holdings and certain of its direct and indirect subsidiaries are offering to exchange (the "**Exchange**") all of Vertis' Series A Senior Secured Second Lien Notes due 2012 (the "**Series A Second Lien Notes**"), Series B Senior Secured Second Lien Notes due 2012 (the "**Series B Second Lien Notes**") and Series C Senior Secured Second Lien Notes due 2012 (the "**Series C Second Lien Notes**" and, together with the Series A Second Lien Notes and Series B Second Lien Notes, the "**Second Lien Notes**") and 13.5% Senior PIK Notes due 2014 (the "**Senior PIK Notes**") held by Eligible Holders (as defined below) for shares of common stock, par value $0.01 per share, of Vertis Holdings ("**Shares**");

WHEREAS, to effect the Exchange, Vertis Holdings intends, through an amendment to its existing exchange offers in respect of the Second Lien Notes and Senior PIK Notes, to conduct an exchange offer (the "**Exchange Offer**") pursuant to which Vertis Holdings will solicit from holders of Second Lien Notes and Senior PIK Notes (i) the tender of such holders' Second Lien Notes and Senior PIK Notes in exchange for Shares and (ii) the consent of such holders to certain amendments to the indentures governing the Second Lien Notes and Senior PIK Notes and (iii) votes with respect to a prepackaged plan of reorganization in substantially the form attached as Exhibit A (a "**Plan**") to be filed with the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") for the Company Parties;

WHEREAS, the Exchange will be consummated either (i) through the Exchange Offer, if the conditions to the Exchange Offer set forth in the Amended Confidential Offering Memorandum, Consent Solicitation and Disclosure Statement Soliciting Acceptances of a Prepackaged Plan of Reorganization, in substantially the form attached as Exhibit B (the "**Offering Memorandum and Disclosure Statement**"), are satisfied or waived (such process, an "**Out-of-Court Process**"), or (ii) pursuant to the Plan (such process, an "**In-Court Process**");

WHEREAS, Vertis Holdings will also, pursuant to the Offering Memorandum and Disclosure Statement, offer to holders of Second Lien Notes who tender their Second Lien Notes, deliver their corresponding consents in the Exchange Offer, who vote to accept the Plan and who are Eligible Holders the opportunity to subscribe for Shares in a concurrent private placement for up to each Eligible Holder's allotted portion of the Offered Shares (the "**Allotted Amount**") at a purchase price of $10.00 per Share (the "**Purchase Price**") (the "**Private Placement**");

WHEREAS, the aggregate purchase price of the Shares offered in the Private Placement shall be $100,000,000, subject to reduction pursuant to Section 1.3; and

WHEREAS, in order to facilitate the Exchange and the Private Placement, pursuant to this Agreement, and subject to the terms, conditions and limitations set forth herein, the Backstop Parties have agreed to purchase, and Vertis Holdings agrees to sell, for a price per Share equal to the Purchase Price, a number of Shares equal to the number of Shares offered in the Private Placement that are not validly subscribed for and purchased in the Private Placement (the "**Backstop Party Shares**").

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and agreements set forth herein, and other good and valuable consideration, the parties signatory to this Agreement agree as follows:

ARTICLE I
THE PRIVATE PLACEMENT

Section 1.1 Subscription Period; Expiration Time.

(a) Subject to Section 1.3, Vertis Holdings shall offer to holders of Second Lien Notes 10,000,000 Shares in the aggregate (the "**Offered Shares**"), which shall entitle holders to purchase 20.245 Shares per $1,000 principal amount of Series A Second Lien Notes and Series B Second Lien Notes and 19.233 Shares per $1,000 principal amount of Series C Second Lien Notes. The Private Placement shall be conducted in accordance with the terms of the Offering Memorandum and Disclosure Statement and this Agreement. Holders may subscribe for Shares in the Private Placement during a period (the "**Subscription Period**") commencing upon the issuance by Vertis Holdings of a press release announcing the commencement of the Exchange Offer (the "**Commencement Date**") and ending on the deadline specified in the Offering Memorandum and Disclosure Statement (the "**Expiration Time**").

(b) In accordance with this Agreement and the Offering Memorandum and Disclosure Statement, each Eligible Holder of Second Lien Notes who wishes to participate in the Private Placement (each a "**Private Placement Party**"), other than Backstop Parties, will submit a subscription form (the "**Subscription Form**") setting forth the number of Shares such Private Placement Party elects to purchase in the Private Placement up to its Allotted Amount. Private Placement Parties (other than Backstop Parties) shall be required to pay their aggregate Purchase Price on or prior to the deadline for payment set forth in a press release issued by Vertis Holdings following the Expiration Time (the "**Private Placement Payment Deadline**"), which amount shall be held in escrow by the Subscription Agent until the Closing Date.

Section 1.2 Issuance of Shares. On the closing date of the Exchange, which shall occur (a) in an Out-of-Court Process, four Business Days following the expiration of the Exchange Offer, assuming the satisfaction or waiver of all of the applicable conditions to closing set forth in Article VII and in the Offering Memorandum and Disclosure Statement and (b) in an In-Court Process, four Business Days following the satisfaction or waiver of all of the conditions to closing set forth in Article VII (the "**Closing Date**"), Vertis Holdings will issue the Shares, as adjusted in connection with any reduction of the Offered Shares pursuant to Section 1.3, to the

Private Placement Parties to the extent such Private Placement Parties have validly subscribed for and purchased Shares in the Private Placement. If the valid subscription for Shares by a Private Placement Party would result in the issuance of a fractional Share, then the number of Shares to be issued to such Private Placement Party will be rounded down to the next whole Share.

Section 1.3 Reduction of Offered Shares. Prior to the Expiration Time, the Board of Directors of Vertis Holdings may, following consultation with the Backstop Parties, elect to reduce the aggregate amount of Offered Shares if it determines, based upon Vertis Holdings' estimated working capital and available liquidity, that following such reduction, it will have adequate cash resources (including amounts available under revolving credit facilities) to consummate the Transactions (as defined below) and implement its business plan following such consummation; provided that the total number of Shares by which the Offered Shares are reduced (the "**Reduction Amount**") may not exceed 2,000,000 Shares.

Section 1.4 Commitment Notice; Payment Notice; Notice of Closing Date. Vertis Holdings will provide to each Backstop Party (in accordance with the notice provisions set forth in Section 11.1) a certificate of Vertis Holdings setting forth the number of Backstop Party Shares and the aggregate Purchase Price therefor to be purchased by such Backstop Party and the bank account to which such aggregate Purchase Price is to be paid (a "**Commitment Notice**") as soon as practicable, and in no event later than (a) one Business Day following the Private Placement Payment Deadline or (b) two Business Days prior to the Closing Date (the date of transmission of confirmation of a Commitment Notice, the "**Determination Date**").

Section 1.5 Payment for Shares. Pursuant to the terms of the Private Placement, each Backstop Party will, subject to satisfaction or waiver of the conditions to closing set forth in Article VII and the terms of this Agreement (including Section 1.6), be deemed to subscribe for the maximum amount of Shares, as adjusted in connection with any reduction of the Offered Shares pursuant to Section 1.3, such Backstop Party is eligible to purchase in the Private Placement pursuant to the Offering Memorandum and Disclosure Statement. Subject to satisfaction or waiver of the conditions to closing set forth in Article VII and the terms of this Agreement, each Backstop Party shall pay its aggregate Purchase Price in connection with the Private Placement and its Backstop Commitment to Vertis Holdings on the Closing Date; provided that to the extent that the total indebtedness owed by Vertis to Avenue Investments, L.P. ("**Avenue**") in its capacity as lender pursuant to the Term Loan Credit Agreement (the "**Avenue Term Loan Claim**") is equal to or greater than Avenue's aggregate Purchase Price, Avenue's irrevocable direction to pay over the Avenue Term Loan Claim to the Debtors in the amount necessary to fund its aggregate Purchase Price shall be deemed to satisfy in full its payment obligations under this Section 1.5.

Section 1.6 Limitation on Ownership by Citi. Notwithstanding Section 1.5 or any Subscription Form delivered by Citigroup Global Markets Inc. ("**Citi**"), if the sum of (a) the number of Shares to be received by Citi in the Exchange Offer (or pursuant to the Plan, in the case of an In-Court Process), (b) the number of Shares that Citi subscribes for (or is deemed to subscribe for) in the Private Placement, (c) the number of Shares to be purchased by Citi pursuant to its Backstop Commitment and (d) the number of Shares to be paid to Citi as part of the Equity Backstop Consideration (collectively, the "**Citi Allocated Shares**") would exceed

9.99% of the outstanding Shares as of the Closing Date, then the number of Shares that Citi subscribes for (or is deemed to subscribe for) in the Private Placement shall be automatically reduced by such number that would cause the number of Citi Allocated Shares, after giving effect to such reduction, to equal 9.99% of the outstanding Shares as of the Closing Date.

ARTICLE II
THE BACKSTOP COMMITMENT

Each Backstop Party covenants severally, and not jointly or jointly and severally, solely with respect to such Backstop Party:

Section 2.1 Backstop Commitment. On the basis of the representations and warranties contained herein, and subject to the conditions set forth in Article VII, each Backstop Party will purchase or cause one or more of its Affiliates to purchase a number of Shares equal to the product of (A) the Offered Shares less any Reduction Amount less the number of Shares that have been validly subscribed for and purchased in the Private Placement as of the Private Placement Payment Deadline (including the Offered Shares deemed to be subscribed for by the Backstop Parties pursuant to Section 1.4) and (B) such Backstop Party's Backstop Percentage (as set forth on Annex I) (as to each Backstop Party, such Backstop Party's "**Backstop Commitment**"). No Backstop Party shall have any liability for the Backstop Commitment of any other Backstop Party.

Section 2.2 Additional Purchase Rights.

(a) Default Purchase Right.

(i) If and to the extent that any one Backstop Party or multiple Backstop Parties do not satisfy its or their obligations or provide notice to Vertis Holdings that it or they will not satisfy its or their obligations in respect of its or their Backstop Commitment as required under Section 2.1 (a "**Backstop Party Default**" and each such Backstop Party, a "**Defaulting Backstop Party**"), then each of the remaining Backstop Parties (the "**Non-Defaulting Backstop Parties**") shall have the right, but not the obligation (the "**Default Purchase Right**), to purchase all or a portion of the Shares that were to be purchased by such Defaulting Backstop Party (the "**Default Shares**") at a price per Share equal to the Purchase Price. To the extent that the Non-Defaulting Backstop Parties (in the aggregate) desire to purchase more than the total number of Default Shares, such Default Shares shall be allocated among the Non-Defaulting Backstop Parties electing to purchase Default Shares pro rata, based on their respective Backstop Commitments. As soon as practicable after a Backstop Party Default, Vertis Holdings will send a notice to each Non-Defaulting Backstop Party, specifying the number of Default Shares. As soon as practicable upon the receipt of such notice, each Non-Defaulting Backstop Party who elects to exercise the Default Purchase Right will notify Vertis Holdings of its election to exercise the Default Purchase Right and specify the maximum number of Default Shares (up to 100% of the Default Shares) that it is electing to purchase. In the event of a Backstop Party Default, the Closing Date will be deferred for a period of time, not to exceed two Business Days, in order to replace the commitment of the Defaulting Backstop Party; provided that in no event shall the Closing Date in the event of an Out-of-Court Process occur more than five Business Days after the expiration of the Exchange Offer. If none of the Non-

Defaulting Backstop Parties has elected to exercise the Default Purchase Right, and Vertis Holdings is otherwise unable to replace the commitment of the Defaulting Backstop Party, then Vertis Holdings may terminate this Agreement and each Non-Defaulting Backstop Party may terminate its respective obligations under this Agreement.

(ii) Each Non-Defaulting Backstop Party shall have the right (the "**Additional Default Purchase Right**"), but not the obligation, to purchase from a Defaulting Backstop Party all or a portion of the Shares that are issued to such Defaulting Backstop Party pursuant to the Private Placement and the Exchange (the "**Additional Default Shares**") at a price per Share equal to the Purchase Price and each Defaulting Backstop Party shall be obligated to sell all such Additional Default Shares consistent with the terms of this Section 2.2(a)(ii). As soon as practicable after the Closing Date, Vertis Holdings will send a notice to each Non-Defaulting Backstop Party, specifying the number of Additional Default Shares issued to each Defaulting Backstop Party and no Defaulting Backstop Party may transfer any such Shares until the provisions of this Section 2.2(a) have been complied with. Each Non-Defaulting Backstop Party may elect to exercise the Additional Default Purchase Right by notifying Vertis Holdings of its election and specifying the maximum number of Additional Default Shares (up to 100% of the Additional Default Shares) that it is electing to purchase. To the extent that the Non-Defaulting Backstop Parties (in the aggregate) desire to purchase more than the total number of Additional Default Shares, such Additional Default Shares shall be allocated among the Non-Defaulting Backstop Parties electing to purchase Additional Default Shares pro rata, based on their respective Backstop Commitments. The Additional Default Purchase Right must be exercised by a Non-Defaulting Backstop Party no later than five Business Days after receipt of the notice from Vertis Holdings of the availability of the Additional Default Purchase Right and, the closing of the sale of the Additional Default Shares from the Defaulting Backstop Party to the Non-Defaulting Backstop Parties shall occur at a time and place designated by Vertis Holdings, which shall be no later than five Business Days after the exercise of the Additional Default Purchase Right.

Section 2.3 Adjustment of Backstop Percentage for Purposes of Backstop Consideration. In the event of a Backstop Party Default, then, solely for purposes of calculating the Backstop Consideration (as defined below) (a) the Backstop Percentage for any Defaulting Backstop Party shall be reduced to zero (and, accordingly, no Backstop Consideration will be payable to such Defaulting Backstop Party) and (b) the Backstop Percentage for each of the Non-Defaulting Backstop Parties electing to exercise the Default Purchase Right shall be increased accordingly to reflect the reallocation of the Defaulting Backstop Party's Backstop Percentage among the Non-Defaulting Backstop Parties electing to exercise the Default Purchase Right (such that the total Backstop Percentage for the Non-Defaulting Backstop Parties shall always equal 100%).

Section 2.4 Backstop Consideration; Transaction Expenses.

(a) Backstop Consideration. To compensate each Backstop Party for the risk of its undertakings related to the Backstop Commitment, on the Closing Date (subject, in the event of an In-Court Process, to the entry of the Confirmation Order), Vertis Holdings shall pay to the Backstop Parties an aggregate backstop commitment fee consisting of 1,661,518 Shares (1,800,000 Shares in the case of an In-Court Process), which equals 10% of the outstanding

Shares after giving effect to the issuance and sale of all Shares contemplated by this Agreement and the Offering Memorandum and Disclosure Statement (assuming that 98% of the Second Lien Notes and 98% of the Senior PIK Notes are exchanged for Shares in an Out-of-Court Process and all Second Lien Notes and Senior PIK Notes are exchanged for Shares in an In-Court Process) (the "**Equity Backstop Consideration**"), distributed to each Backstop Party on a ratable basis in accordance with such Backstop Party's Backstop Percentage (as adjusted pursuant to Section 2.3, if applicable); provided that, notwithstanding the foregoing, if this Agreement is terminated by any Backstop Party pursuant to Section 9.2(a), then in lieu of the Equity Backstop Consideration each Backstop Party shall be paid in cash by Vertis Holdings and the other Company Parties (jointly and severally) an amount equal to 1.25% of the sum of (A) such Backstop Party's Backstop Commitment and (B) the outstanding principal amount of such Backstop Party's Second Lien Notes on the date of this Agreement (the "**Cash Backstop Consideration**" and, together with the Equity Backstop Consideration, the "**Backstop Consideration**"). To the extent payable, the Cash Backstop Consideration shall be paid upon the consummation of the Alternative Transaction. For the avoidance of doubt, neither the Equity Backstop Consideration nor the Cash Backstop Consideration shall be reduced or otherwise affected by any reduction in the amount of Offered Shares pursuant to Section 1.3.

(b) Transaction Expenses. Subject to the entry of the Confirmation Order in the event of an In-Court Process, the Company Parties (jointly and severally) shall reimburse or pay, as the case may be, the reasonable fees and expenses of the counsel to the Ad Hoc Second Lien Noteholder Group, Avenue and the individual Backstop Parties; provided that reimbursements to and/or payments on account of fees and expenses of such counsel of each individual Backstop Party (excluding the fees and expenses of Bracewell & Giuliani LLP and Akin Gump Strauss Hauer & Feld LLP) shall be limited to amounts equal to (i) $10,000 per individual Backstop Party **(**an "**Individual Expense Cap**") and (ii) $60,000 in the aggregate for all Backstop Parties (excluding the fees and expenses of Bracewell & Giuliani LLP and Akin Gump Strauss Hauer & Feld LLP) (the "**Aggregate Expense Cap**") (collectively, "**Transaction Expenses**") in connection with the transactions contemplated by this Agreement, the Plan and the Ancillary Agreements (the "**Transactions**"), including due diligence with respect to Vertis Holdings and its respective Subsidiaries and Affiliates, and the enforcement, attempted enforcement or preservation of any rights or remedies contemplated hereunder and by any bankruptcy case, including the filing fee, if any, required by any Bankruptcy Court and other judicial and regulatory proceedings related to the Transactions, within ten days of presentation of an invoice approved by the Requisite Percentage of Backstop Parties, without Bankruptcy Court review or further Bankruptcy Court Order, whether or not the Transactions are consummated; provided that the Individual Expense Cap and the Aggregate Expense Cap shall not apply to the fees and expenses incurred by each member of the Ad Hoc Second Lien Noteholder Group in connection with defending any Action relating to this Agreement, such individual member's role as a Backstop Party, or the transactions contemplated by this Agreement, the Private Placement or the Plan and shall in no way limit the ability of each member of the Ad Hoc Second Lien Noteholder Group to seek reimbursement or indemnification pursuant to the terms of the Second Lien Notes or the indenture governing such Second Lien Notes; and provided further that the Company Parties shall not have to pay or reimburse a Backstop Party's Transaction Expenses to the extent such Transaction Expenses are determined by a final order of a court of competent jurisdiction to have resulted from the bad faith, willful misconduct or gross negligence of any such Backstop Party.

(c) Administrative Expenses. The provision of payment of the Backstop Consideration and Transaction Expenses is an integral part of the Transactions, without which the Backstop Parties would not have entered into this Agreement, and any Transaction Expenses incurred after the date (the "**Petition Date**") of any voluntary petition for relief commencing a case under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") shall constitute an administrative expense of each of the Company Parties, as applicable, under sections 364(c)(1), 503(b) and 507(a)(2) of the Bankruptcy Code.

Section 2.5 Delivery of Shares. Delivery of the Backstop Party Shares will be made by Vertis Holdings to the account of the Backstop Parties (or to such other accounts as the Backstop Parties may designate) by delivery of certificates representing such Shares at 9:00 a.m., New York City time, on the Closing Date against payment of the aggregate Purchase Price for such Shares made pursuant to Section 1.4.

Section 2.6 Taxes. All Backstop Party Shares, if any, will be delivered with any and all issue, stamp, transfer or similar taxes or duties payable in connection with such delivery duly paid by Vertis Holdings, to the extent such transfers are not exempt from stamp, transfer and similar taxes under Section 1146 of the Bankruptcy Code in the event of an In-Court Process.

Section 2.7 Document Delivery. The documents to be delivered on the Closing Date by or on behalf of the parties hereto and evidence of the Backstop Party Shares will be delivered at the offices of Bracewell & Giuliani LLP, 1251 Avenue of the Americas, 49th Floor, New York, New York 10020-1104.

Section 2.8 Backstop Party Affiliates. Notwithstanding anything to the contrary in this Agreement, the Backstop Parties, in their sole discretion, may designate that some or all of the Backstop Party Shares be issued in the name of, and delivered to, one or more of their Affiliates or to any other Person.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY PARTIES

Each of the Company Parties jointly and severally represents and warrants to the Backstop Parties as follows as of the date hereof:

Section 3.1 Incorporation and Qualification. Vertis Holdings and each of its direct and indirect domestic subsidiaries (each a "**Subsidiary,**" and collectively, "**Subsidiaries**") is a legal entity duly incorporated or organized, validly existing and, where applicable, in good standing under the Laws of their respective jurisdictions of incorporation or organization, with the requisite power and authority to own its properties and conduct its business as currently conducted. Vertis Holdings and each of its Subsidiaries is duly qualified to do business and is in good standing under the Laws of each other jurisdiction in which such qualification is required, except where failure to so qualify or be in good standing could not reasonably be expected to result in a Material Adverse Effect.

Section 3.2 Corporate Power and Authority.

(a) Each Company Party has the requisite power and authority to enter into, execute and deliver this Agreement and each Ancillary Agreement to which it is a party and, subject to entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the fourteen-day period set forth in Rule 3020(e) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), to perform its obligations hereunder and thereunder. Each Company Party has taken all necessary action required for the due authorization, execution, delivery and performance by it of this Agreement and the Ancillary Agreements, including obtaining all necessary board and shareholder approvals. Vertis Holdings has taken all necessary action required for the issuance of the Shares contemplated by this Agreement.

(b) In the event of an In-Court Process, if and when filed, each U.S. Debtor will have the requisite power and authority to file the Plan with the Bankruptcy Court and, subject to entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the fourteen-day period set forth in Bankruptcy Rule 3020(e), to perform its obligations thereunder, and will have taken all necessary actions required for the due authorization and performance by it of the Plan by the Closing Date.

Section 3.3 Execution and Delivery; Enforceability.

(a) This Agreement has been and the Ancillary Agreements will be duly executed and delivered by the Company Parties. Upon the entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the fourteen-day period set forth in Bankruptcy Rule 6004(h), and assuming this Agreement and the Ancillary Agreements will constitute valid and binding agreements of the other parties hereto and thereto, each such document executed by a Company Party will constitute the valid and binding obligations of such Company Party, enforceable against such Company Party in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditors' rights generally and subject to general principles of equity (whether enforcement is sought by proceeding in equity or at law).

(b) In the event of an In-Court Process, if and when filed, the Plan will be duly and validly filed with the Bankruptcy Court by the Company Parties and, upon the entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the fourteen-day period set forth in Bankruptcy Rule 3020(e), will constitute the valid and binding obligation of the Company Parties and the applicable Subsidiaries, enforceable against the Company Parties and such Subsidiaries in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar law affecting the enforcement of creditors' rights generally and subject to general principles of equity (whether enforcement is sought by proceeding in equity or at law).

Section 3.4 Capitalization.

(a) On the Closing Date, the authorized capital stock of Vertis Holdings will consist of 40,000,000 Shares of common stock, par value $0.01 per share.

(b) On the Closing Date, in the case of an Out-of-Court Process and assuming that (i) 98% of the Second Lien Notes and Senior PIK Notes are validly tendered for exchange in the Exchange Offers and (ii) all holders of Second Lien Notes subscribe for and purchase their respective Allotted Amounts in the Private Placement, no more than 16,700,000 Shares (less the Reduction Amount) will be issued and outstanding, subject to any rounding. On the Closing Date, in the case of an In-Court Process and assuming that all holders of Second Lien Notes subscribe for and purchase their respective Allotted Amounts in the Private Placement, no more than 18,000,000 Shares (less the Reduction Amount) will be issued and outstanding, subject to any rounding.

(c) Neither Vertis Holdings nor any of its Subsidiaries is a party to or otherwise bound by or subject to any outstanding option, warrant, call, subscription or other right (including any preemptive right), agreement or commitment (except as set forth on Schedule 3.4(c) attached hereto) which (i) obligates Vertis Holdings or any of its Subsidiaries to issue, deliver, sell or transfer or repurchase, redeem or otherwise acquire, or cause to be issued, delivered, sold or transferred or repurchased, redeemed or otherwise acquired, any shares of the capital stock of, or other equity or voting interests in, Vertis Holdings or any of its Subsidiaries or any security convertible or exercisable for or exchangeable into any capital stock of, or other equity or voting interest or loan stock in Vertis Holdings or any of its Subsidiaries, (ii) obligates Vertis Holdings or any of its Subsidiaries to issue, grant, extend or enter into any such option, warrant, call, right, security, commitment, contract, arrangement or undertaking, (iii) restricts the transfer of any shares of capital stock of Vertis Holdings or any of its Subsidiaries or (iv) relates to the voting of any shares of capital stock of Vertis Holdings or any of its Subsidiaries.

Section 3.5 Subsidiaries.

(a) Schedule 3.5(a) sets forth as of the date hereof a true and complete list of each Subsidiary. Except as set forth on Schedule 3.5(a), all of the outstanding share capital, capital stock of, or other equity interests in, each Subsidiary is owned beneficially and of record by Vertis Holdings, directly or indirectly, is validly issued, fully paid and nonassessable and free and clear of any Encumbrances, there is no agreement, arrangement or understanding to create or give any Encumbrance over or in respect of any of such equity interests (except as set forth on Schedule 3.5(b)). Except as set forth on Schedule 3.5(c) and except for the share capital, capital stock of, or other equity or voting interests in its Subsidiaries, Vertis Holdings does not own, directly or indirectly, any equity interest, membership interest, partnership interest, joint venture interest or other equity or voting interest in, or any interest convertible into, exercisable or exchangeable for any of the foregoing, nor is it under any current or prospective obligation to form or participate in, provide funds to, make any loan, capital contribution, guarantee, credit enhancement or other investment in, or assume any material Liability of, any Person.

(b) Except as set forth on Schedule 3.5(d), no Subsidiary is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to Vertis Holdings, from making any other distribution on such Subsidiary's capital stock, from repaying to Vertis Holdings any loans or advances to such Subsidiary from Vertis Holdings or from transferring any of such Subsidiary's properties or assets to Vertis Holdings or any other Subsidiary of Vertis Holdings.

Section 3.6 Issuance. The issuance of the Shares, including the Backstop Party Shares and the Equity Backstop Consideration, to be issued and sold by Vertis Holdings to the Backstop Parties hereunder, have been duly authorized and, when such Shares are issued and delivered against payment therefor in the Private Placement or to the Backstop Parties hereunder, will be validly issued, fully paid and non-assessable, and free and clear of all Encumbrances.

Section 3.7 No Conflict. (a) The sale, issuance and delivery of the Shares, the sale, issuance and delivery of the Backstop Party Shares and the Equity Backstop Consideration and the consummation of the other Transactions; (b) the execution and delivery by the Company Parties of this Agreement, the Ancillary Agreements and the Plan (if applicable); and (c) the compliance by the Company Parties with all of the provisions hereof and thereof (including compliance by the Backstop Parties with their obligations hereunder and thereunder): (i) except as set forth on Schedule 3.7, will not conflict with or result in a material breach or violation of any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), result in the acceleration of, or create any lien or give rise to any termination right under, any material indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which Vertis Holdings or any of its Subsidiaries is a party or by which Vertis Holdings or any of its Subsidiaries is bound or to which any of the property or assets of Vertis Holdings or any of its Subsidiaries is subject, (ii) will not result in any violation of the provisions of the certificate of incorporation or bylaws or equivalent organizational documents of Vertis Holdings or any of its Subsidiaries and as applicable to Vertis Holdings and its Subsidiaries from and after the Closing Date and (iii) will not result in any material violation of, or any termination or impairment of any material rights under any Law or Order.

Section 3.8 Consents and Approvals. No consent, approval, authorization, Order, registration or qualification of or with any Governmental Authority having jurisdiction over Vertis Holdings, any of its Subsidiaries or any of their properties is required for the sale, issuance and delivery of the Shares pursuant to the Private Placement or to the Backstop Parties hereunder and the consummation of the Private Placement and the execution and delivery by the Company Parties of this Agreement, the Ancillary Agreements or the Plan, the performance by the Company Parties of the provisions hereof and thereof, or the consummation of the Transactions, except (i) the entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the fourteen-day period set forth in Bankruptcy Rules 3020(e), as applicable, (ii) the filing with the Secretary of State of the State of Delaware of a certificate of amendment to the certificate of incorporation of Vertis Holdings, (iii) such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky Laws in connection with the issuance and/or purchase of the Shares or (iv) such as have been made or obtained and are in full force and effect.

Section 3.9 Financial Statements. The financial statements (the "**Financial Statements**") and the related notes thereto of Vertis Holdings and its consolidated Subsidiaries set forth on Schedule 3.9, present fairly, in all material respects, the financial position of Vertis Holdings and its Subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified. Such financial statements have been prepared in conformity in all material respects with generally accepted accounting principles in the United States ("**GAAP**") applied on a consistent basis throughout the periods covered thereby (except as disclosed in the notes thereto) and subject, in the case of any unaudited

financial statements, to year end audit adjustments and the absence of footnotes. The assumptions underlying any pro forma financial information assembled and made available to the Backstop Parties set forth on Schedule 3.9 have been prepared in good faith based upon assumptions believed to be reasonable at the time made; provided that forecasts, forward-looking statements and projections are subject to significant uncertainties and contingencies which may be beyond Vertis Holdings' control and are not to be viewed as representations with respect to figure performance and no assurance is given by any of the Company Parties that the results in any such forecasts and pro forma calculations will be realized.

Section 3.10 No Undisclosed Liabilities. None of Vertis Holdings or any of its Subsidiaries has any material Liabilities of a nature required to be disclosed on a balance sheet and the notes thereto, except (i) as set forth in Vertis Holdings' condensed consolidated balance sheet as of June 30, 2010, (ii) incurred in the ordinary course of business since the date of such balance sheet, (iii) for fees and expenses incurred in connection with the Exchange and the Private Placement or (iv) obligations required to be performed after the date of this Agreement under any Contract to which Vertis Holdings or any Subsidiary is a party.

Section 3.11 Sufficiency of Assets; Title to Assets. The assets and properties reflected on Vertis Holdings' financial statements set forth on Schedule 3.9 or acquired after June 30, 2010 in the ordinary course of business (the "**Company Assets**") constitute and include all the material assets necessary for the conduct of Vertis Holdings' and its Subsidiaries' business as currently conducted and there are no material assets used in or relied upon for the conduct of Vertis Holdings' and its Subsidiaries' business other than the Company Assets. Vertis Holdings and its Subsidiaries have good, marketable and indefeasible title to, or a valid leasehold interest in, all of the Company Assets, in each case free and clear of any Encumbrance other than (i) statutory, mechanics' or other liens that were incurred in Vertis Holdings' and its Subsidiaries' ordinary course of business, (ii) Encumbrances that are being contested in good faith and for which Adequate Reserves have been made on Vertis Holdings' condensed consolidated balance sheet dated as of June 30, 2010 (rather than disclosed in any notes thereto), (iii) Encumbrances for Taxes incurred but not yet due and payable, (iv) Encumbrances set forth on Schedule 3.11, (v) easements, rights-of-way, restrictions and other similar charges and Encumbrances of record not interfering materially with the ordinary conduct of the business of Vertis Holdings and any of its Subsidiaries or detracting materially from the use, occupancy, value or marketability of title of the assets subject thereto, (vi) purchase money Encumbrances securing rental payments under capital lease arrangements, (vii) other Encumbrances arising in the ordinary course of business and not incurred in connection with the borrowing of money and (viii) Encumbrances that could not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

Section 3.12 Absence of Certain Changes. No event, change or condition has occurred that has had, or could reasonably be expected to have, a Material Adverse Effect on the business, assets, liabilities, operations (financial or otherwise) or operating results of the Company Parties, taken as a whole, since December 31, 2009, except for changes occurring as a consequence of the Company Parties publicly announcing the possibility of a chapter 11 filing or from the filing of the cases.

Section 3.13 No Violation or Default.

(a) Vertis Holdings and each of its Subsidiaries is in compliance with its respective charter and bylaws or equivalent organizational documents.

(b) Neither Vertis Holdings nor any of its Subsidiaries is: (A) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Vertis Holdings or any of its Subsidiaries is a party or by which Vertis Holdings or any of its Subsidiaries is bound or to which any of the property or assets of Vertis Holdings or any of its Subsidiaries is subject, except for defaults, violations or otherwise that could not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect; or (B) in violation of any Law or Order of any Governmental Authority, except for defaults, violations or otherwise that could not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

Section 3.14 Legal Proceedings. Except for the In-Court Process (if commenced), there are no material Proceedings pending or, to the Knowledge of the Company Parties, threatened to which Vertis Holdings or any of its Subsidiaries, or their officers or directors: (i) is or would reasonably be expected to become a party or (ii) to which any property of Vertis Holdings or any of its Subsidiaries is or may be subject.

Section 3.15 Title to Intellectual Property.

(a) Vertis Holdings and its Subsidiaries own or possess valid and legally enforceable rights to use all Intellectual Property necessary for the continued conduct of their respective businesses as now conducted and such Intellectual Property owned or licensed by Vertis Holdings and its Subsidiaries, and all registrations therefor, are valid, enforceable and subsisting, except as could not reasonably be expected to have a Material Adverse Effect.

(b) To the knowledge of the Company Parties, the conduct of the business by Vertis Holdings and its Subsidiaries does not materially infringe upon, misappropriate, or otherwise violate any other Person's Intellectual Property rights, and no claim is pending or threatened in writing against Vertis Holdings or any of its Subsidiaries alleging any such infringement, misappropriation, or violation.

(c) To the Knowledge of the Company Parties, no Person is materially infringing upon, misappropriating, or otherwise violating the Intellectual Property rights of Vertis Holdings or any of its Subsidiaries.

Section 3.16 Investment Company Act. Neither Vertis Holdings nor any of its Subsidiaries is and, after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as contemplated by this Agreement, will be required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

Section 3.17 Licenses and Permits. Vertis Holdings and its Subsidiaries possess all material licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate Governmental Authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses except where failure to possess or take such actions could not reasonably reasonably be expected to have a Material Adverse Effect; and neither Vertis Holdings nor any of its Subsidiaries has received written notice of any revocation or adverse modification of any such material license, certificate, permit or authorization (except where such revocation or modification could not reasonably be expected to have a Material Adverse Effect).

Section 3.18 Compliance with Environmental Laws. Except as set forth on Schedule 3.18 or as could not reasonably be expected to have a Material Adverse Effect, Vertis Holdings and its Subsidiaries (i) have been and are in compliance in all respects with any and all applicable federal, state, local and foreign Laws and Orders relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "**Environmental Laws**"); (ii) have received and are in compliance with all permits, licenses or other approvals and possess all emissions allowances or credits required of them under applicable Environmental Laws to conduct their respective businesses or to occupy their respective facilities; (iii) have not received notice of any actual or potential Liability for the investigation, exposure to, release of, or remediation involving any Hazardous Materials or for any violation or alleged violation of Environmental Laws; or (iv) knows of any basis for any liability of Vertis Holdings and its Subsidiaries pursuant to environmental Laws.

Section 3.19 Benefit Plans.

(a) Schedule 3.19 lists all ERISA Plans and separately identifies all Pension Plans, including Title IV Plans, Multiemployer Plans, ESOPs and Welfare Plans, including all Retiree Welfare Plans. Copies of all such listed ERISA Plans other than Multiemployer Plans as defined in ERISA Section 3(37)(A), together with a copy of the latest form IRS/DOL 5500-series for each such ERISA Plan (other than such Multiemployer Plans) will be provided or made available to the Backstop Parties upon reasonable request. Except with respect to Multiemployer Plans, each Qualified Plan has been determined by the IRS to qualify under Section 401 of the Code, and the trusts created thereunder have been determined to be exempt from tax under the provisions of Section 501 of the Code, and nothing has occurred that would cause the loss of such qualification or tax exempt status. Each ERISA Plan is in material compliance with the applicable provisions of ERISA and the Code, including the timely filing of all reports required under the Code or ERISA. Neither any Company Party nor any ERISA Affiliate has failed to make any contribution or pay any amount due as required by either Section 412 of the Code or Section 302 of ERISA or the terms of any such ERISA Plan. Neither any Company Party nor ERISA Affiliate has engaged in a "prohibited transaction," as defined in Section 406 of ERISA and Section 4975 of the Code, in connection with any ERISA Plan, that would subject any Company Party to a material tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the Code.

(b) Except as set forth in Schedule 3.19, (i) no Title IV Plan has any Unfunded Pension Liability; (ii) no ERISA Event or event described in Section 4062(e) of ERISA with respect to any Title IV Plan has occurred within the last five years or is reasonably

expected to occur; (iii) there are no pending, or to the knowledge of the Company Parties, threatened claims (other than claims for benefits in the normal course), sanctions, actions or lawsuits, asserted or instituted against any ERISA Plan or any Person as fiduciary or sponsor of any ERISA Plan that would reasonably be expected to result in liabilities to the Company Parties and their ERISA Affiliates in excess of $500,000; (iv) no Company Party or ERISA Affiliate has incurred or reasonably expects to incur any liability in excess of $500,000 as a result of a complete or partial withdrawal from a Multiemployer Plan; (v) within the last five years no Title IV Plan of any Company Party or ERISA Affiliate has been terminated, whether or not in a "standard termination" as that term is used in Section 404(b)(1) of ERISA, nor has any Title IV Plan of any Company Party or any ERISA Affiliate (determined at any time within the past five years) with Unfunded Pension Liabilities been transferred outside of the "controlled group" (within the meaning of Section 4001(a)(14) of ERISA) of any Company Party or ERISA Affiliate; (vi) except in the case of any ESOP, the stock of all Company Parties and their ERISA Affiliates makes up, in the aggregate, no more than 10% of fair market value of the assets of any ERISA Plan measured on the basis of fair market value as of the latest valuation date of any ERISA Plan; and (vii) no liability under any Title IV Plan has been satisfied with the purchase of a contract from an insurance company that is not rated AAA by the S&P or an equivalent rating by another nationally recognized rating agency.

(c) Schedule 3.19 lists all Foreign Pension Plans. Except as would not reasonably be expected to have a Material Adverse Effect, each Foreign Pension Plan is in compliance and in good standing (to the extent such concept exists in the relevant jurisdiction) in all material respects with all laws, regulations and rules applicable thereto, including all funding requirements, and the respective requirements of the governing documents for such Foreign Pension Plan; (ii) with respect to each Foreign Pension Plan maintained or contributed to by any Company Party or any Subsidiary of a Company Party, (A) that is required by applicable law to be funded in a trust or other funding vehicle, such Foreign Pension Plan is in compliance with applicable law regarding funding requirements except to the extent permitted under applicable law and (B) that is not required by applicable law to be funded in a trust or other funding vehicle, reasonable reserves have been established where required by ordinary accounting practices in the jurisdiction in which such Foreign Pension Plan is maintained; and (iii) no actions or proceedings have been taken or instituted to terminate or wind-up a Foreign Pension Plan with respect to which the Company Parties or any Subsidiary of a Company Party could reasonably be expected to have a Material Adverse Effect.

Section 3.20 Labor and Employment Matters.

(a) Except as set forth on Schedule 3.20(a), (i) neither Vertis Holdings nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement or any labor union contract or agreement with a works' council or a labor organization; (ii) to the Knowledge of the Company Parties, there are no activities or proceedings by any labor union or labor organization to organize any employees of Vertis Holdings or any of its Subsidiaries or to compel Vertis Holdings or any of its Subsidiaries to bargain with any labor union or labor organization; (iii) there is no pending or, to the Knowledge of the Company Parties, threatened labor strike, lock-out, walkout, work stoppage, slowdown, demonstration, leafleting, picketing, boycott, work-to-rule campaign, sit-in, sick-out, or similar form of organized labor disruption (collectively, "**Labor Disruption**") and no Labor Disruption has occurred in the past three years;

(iv) currently and within the past three years each Person classified by Vertis Holdings or any Subsidiary as an "independent contractor" is and was properly classified under all governing Laws, and Vertis Holdings and its Subsidiaries have fully and accurately reported such independent contractors' compensation on an IRS Form 1099 or similar form when required to do so and (v) within the past two years, neither Vertis Holdings nor any of its Subsidiaries has incurred any Liability which remains unsatisfied under the Worker Adjustment and Retraining Notification Act or any similar state or local Laws regarding the termination or layoff of employees or failed to provide the required notices with respect to such terminations or layoffs.

(b) Vertis Holdings and each of its Subsidiaries are in compliance in all material respects with all applicable material Laws and regulations relating to labor and employment, including but not limited to Laws relating to discrimination, equal employment opportunities, disability, labor relations, hours of work, payment of wages, overtime pay, immigration, workers' compensation, employee benefits, unemployment benefits, working conditions, occupational safety and health, family and medical leave, employee terminations, and all material Laws regarding the hiring, promotion, assignment, and termination of employees. To the knowledge of the Company Parties, Vertis Holdings and its Subsidiaries have not misclassified any employees as independent contractors, leased employees, volunteers, or any other type of workers, and no individual has been improperly classified as an "exempt" employee or excluded from any Company Benefit Plans.

Section 3.21 Insurance. Vertis Holdings and its Subsidiaries have insurance covering their respective properties, operations, personnel and businesses, which insurance is in amounts and insures against such losses and risks as are customary for companies whose businesses are similar to Vertis Holdings and its Subsidiaries except where the failure to maintain such insurance could not reasonably be expected to have a Material Adverse Effect. Neither Vertis Holdings nor any of its Subsidiaries has received notice from any insurer or agent of such insurer that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers.

Section 3.22 No Broker's Fees. Except as set forth on Schedule 3.22, Neither Vertis Holdings nor any of its Subsidiaries is a party to any contract, agreement or understanding (other than this Agreement) with any Person that would give rise to a valid claim against Vertis Holdings or any of its Subsidiaries or the Backstop Parties for a brokerage commission, finder's fee or like payment in connection with the Transactions,.

Section 3.23 No Registration Rights. Except as set forth on Schedule 3.23 and as will be expressly provided in the Stockholders Agreement, no Person has the right to require Vertis Holdings or any of its Subsidiaries to register any securities for sale under the Securities Act by reason of the filing of any Registration Statement with the Commission or the issuance and sale of the Shares.

Section 3.24 Real and Personal Property. Schedule 3.24 sets forth a true, accurate and complete list of all (i) interests in any material real property owned by Vertis Holdings or its Subsidiaries as of the Closing Date ("**Owned Real Property**"), and (ii) material real property leases, subleases or assignments of leases (together with all material amendments, modifications, supplements, renewals or extensions of any thereof) to which Vertis Holdings or its Subsidiaries

is a party, regardless of whether Vertis Holdings or its Subsidiaries is the landlord or tenant (whether directly or as an assignee or successor in interest) under such lease, sublease or assignment (the "**Real Property Leases**"). Vertis Holdings and its Subsidiaries have good and marketable fee title to all Owned Real Property, in each case, free and clear of all Encumbrances except for Permitted Encumbrances. Unless rejected or otherwise terminated prior to the Closing Date (in accordance with the Plan and this Agreement), all of the Real Property Leases to which Vertis Holdings or any of its Subsidiaries is a party are and shall be in full force and effect and enforceable by Vertis Holdings or such Subsidiary in accordance with their terms. Vertis Holdings has, and has caused each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear, casualty and condemnation excepted, all Owned Real Property and all real property subject to the Real Property Leases used or useful in the business of Vertis Holdings and its Subsidiaries and has made or caused to be made all appropriate repairs, renewals and replacements thereof in accordance with customary industry practice.

Section 3.25 Tax Matters.

(a) Except as disclosed on Schedule 3.25(a), Vertis Holdings and each of its Subsidiaries have filed all material Tax Returns required to be filed by applicable Law prior to the date hereof. Vertis Holdings and each of its Subsidiaries have paid all material amounts of Taxes that are due, claimed or assessed by any taxing authority to be due for the periods covered by such Tax Returns, other than any Taxes for which adequate reserves (under GAAP) ("**Adequate Reserves**") have been established. Neither Vertis Holdings nor any of its Subsidiaries has granted any extension or waiver of the limitation period applicable to any Tax Returns. "**Taxes**" means any U.S. federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not. "**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, including, where permitted or required, combined or consolidated returns for any group of entities that include Vertis Holdings or any Subsidiary.

(b) Vertis Holdings and each of its Subsidiaries have complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes (including, to the extent applicable, withholding and reporting requirements under sections 1441 through 1464, 3101 through 3111, 3401 through 3406, 6041 and 6049 of the Code and similar provisions under any other Laws) and have, within the time and in the manner prescribed by Law, withheld from employee wages and paid to the proper Governmental Authorities all material amounts required to be withheld and paid over.

(c) No audits or other administrative Proceedings are presently pending or to the Knowledge of the Company Parties, threatened in writing with regard to any Taxes or Tax

Returns of Vertis Holdings or any Subsidiary, other than any audit or administrative or court Proceeding that is not reasonably expected to result in a Material Adverse Effect.

(d) Vertis Holdings will make available to the Backstop Parties upon reasonable request complete and accurate copies of its US federal income Tax Returns for calendar years 2007, 2008 and 2009.

(e) No agreement as to indemnification for, contribution to, or payment of any material amount of Taxes exists between Vertis Holdings or any Subsidiary, on the one hand, and any other Person (other than Vertis Holdings or any Subsidiary), on the other hand, including pursuant to any Tax sharing agreement, purchase or sale agreement, or partnership agreement. Other than as a result of being a member of the affiliated group of which Vertis Holdings is the parent, neither Vertis Holdings nor any Subsidiary has any Liability for Taxes of any Person under Treasury Regulation section 1.1502-6 (or any similar provision of any state, local or foreign Law), or as a transferee or successor.

(f) Except as disclosed on Schedule 3.25(f), neither Vertis Holdings nor any Subsidiary has engaged in any listed transactions within the meaning of Treasury Regulation section 1.6011-4(b)(2).

Section 3.26 Affiliate Transactions.

(a) Except as disclosed on Schedule 3.26 (i) there are no outstanding notes payable to, accounts receivable from or advances by Vertis Holdings or its Affiliates in connection with the its business or involving any assets thereof, and neither Vertis Holdings nor any of its Affiliates is otherwise a debtor or creditor of, or has any Liability of any nature to, any Related Party of Vertis Holdings and (ii) except for compensation or benefits paid to directors, officers or consultants in the ordinary course, since January 1, 2009, neither Company nor any of its Affiliates has incurred any material Liability to, or entered into or agreed to enter into any transaction with or for the benefit of, any Related Party of Vertis Holdings, other than the Transactions.

(b) For purposes of this Section 3.26, "**Related Party**" means: (i) any Affiliate of Vertis Holdings, or any director, executive officer, general partner or managing member of such Affiliate; (ii) any Person who serves or within the past 12 months has served as a director, executive officer, partner, member, employee, consultant or in a similar capacity of Vertis Holdings or any of its Affiliates; (iii) any immediate family member of a Person described in clause (ii); or (iv) any other Person who holds, individually or together with any Affiliate of such other Person and any member(s) of such Person's immediate family, more than 5% of the outstanding equity or ownership interests of Vertis Holdings or any of its Affiliates.

Section 3.27 Payments to Backstop Parties. Except as expressly contemplated by this Agreement, the Company Parties have not made and have not permitted the Subsidiaries to make any payment to any Backstop Party or to any third party on behalf of or for the benefit of any Backstop Party in connection with the Exchange or the Private Placement.

Section 3.28 Valid Offering. Assuming the accuracy of the representations and warranties of the Backstop Parties set forth in Article IV, the offer, sale and issuance of the

Shares will be exempt from the registration requirements of the Securities Act and will have been registered or qualified (or are exempt from registration and qualification) under the registration or qualification requirements of all applicable state securities laws. Neither Vertis Holdings nor any Person acting on its behalf has taken any action that would cause the loss of any such exemption.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BACKSTOP PARTIES

Each of the Backstop Parties, severally and not jointly, represents and warrants to the Company Parties as follows as of the date hereof:

Section 4.1 Organization. It has been duly organized and is validly existing and in good standing under the Laws of the jurisdiction of its organization.

Section 4.2 Power and Authority. It has the requisite corporate or similar power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder and has taken all necessary action required for the due authorization, execution, delivery and performance by it of this Agreement.

Section 4.3 Execution and Delivery. This Agreement has been duly and validly executed and delivered by it and constitutes its valid and binding obligation, enforceable against it in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws relating to or affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 4.4 Securities Laws Compliance. It acknowledges that the Backstop Party Shares to be purchased by it pursuant to the terms of this Agreement have not been registered under the Securities Act or any state securities Law, and except as provided in the Stockholders Agreement, Vertis Holdings shall not be required to effect any registration under any U.S. federal or state securities Law. It is acquiring the Backstop Party Shares in good faith solely for its own account or accounts managed by it, for investment and not with a view toward distribution in violation of the Securities Act or applicable state securities Laws.

Section 4.5 Accredited Investor. It has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Backstop Party Shares being acquired hereunder. It is an "accredited investor" within the meaning of Rule 501(a) under the Securities Act. It understands and is able to bear any economic risks associated with such investment (including, without limitation, the necessity of holding the Shares for an indefinite period of time).

Section 4.6 No Conflict. The execution and delivery by such Backstop Party of this Agreement and compliance by such Backstop Party with all of the provisions hereof and the consummation of the Transactions (i) will not conflict with or result in a breach or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of

time, or both), or result in the acceleration of, or the creation of any lien under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Backstop Party is a party or by which such Backstop Party is bound or to which any of the property or assets of such Backstop Party is subject, (ii) will not result in any violation of the provisions of the certificate of incorporation or bylaws or similar governance documents of such Backstop Party and (iii) will not result in any material violation of, or any termination or material impairment of any rights under, any Law or Order, except in any such case described in subclause (i) or (iii) as would not reasonably be expected to prohibit, materially delay or materially and adversely impact such Backstop Party's performance of its obligations under this Agreement.

Section 4.7 Consents and Approvals. No consent, approval, authorization, order, registration or qualification of or with any Governmental Authority having jurisdiction over such Backstop Party or any of its properties is required for the purchase of the Backstop Party Shares, the execution and delivery by such Backstop Party of this Agreement or the Stockholders Agreement and the performance of and compliance by such Backstop Party with all of the provisions hereof and thereof or the consummation of the Transactions, except (i) such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky Laws in connection with the purchase of the Shares by the Backstop Parties, (ii) such approvals as may be required by the Bankruptcy Court, or (iii) such consents, approvals, authorizations, registrations or qualifications the absence of which would not reasonably be expected to prohibit, materially delay or materially and adversely impact the Backstop Party's performance of its obligations under this Agreement.

Section 4.8 Sufficiency of Funds. On the Closing Date, each Backstop Party and/or its designees pursuant to Section 2.8 will have available funds sufficient to pay the aggregate Purchase Price for its Backstop Commitment.

Section 4.9 Payments to Backstop Parties. Except as expressly contemplated by this Agreement, such Backstop Party has not received and is not entitled to nor has any of such Backstop Party's Affiliates or any third party received nor is entitled to on behalf of or for the benefit of such Backstop Party any payment from the Company Parties in connection with the Exchange or the Private Placement.

ARTICLE V
ADDITIONAL COVENANTS OF THE COMPANY PARTIES

Each Company Party agrees with the Backstop Parties.

Section 5.1 Plan and Disclosure Statement; Confirmation Order. In the event of an In-Court Process, to (i) file the Plan and a formal disclosure statement (the "**Formal Disclosure Statement**"), which Formal Disclosure Statement shall be the Offering Memorandum and Disclosure Statement and which Plan shall be in substantially the form attached as Exhibit A, and (ii) use its reasonable best efforts to obtain the entry of an order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code (the "**Confirmation Order**") by the Bankruptcy Court. The Company Parties shall file the Plan with the Bankruptcy Court within two Business Days following the commencement of the Chapter 11 cases by the

Company Parties and shall use their reasonable best efforts to seek confirmation of the Plan. Any amendment, modification or change thereto shall (i) be acceptable in form and substance to the Requisite Percentage of Backstop Parties, (ii) provide for the release and exculpation of the Backstop Parties, their Affiliates, representatives and advisors as set forth in the Plan, and (iii) have the conditions to confirmation and the effective date as set forth in the Plan (and to what extent any such conditions can be waived and by whom) that are consistent with this Agreement. The Company Parties will provide to counsel to the Ad Hoc Second Lien Noteholder Group, the Backstop Parties and their counsel a copy of any amendment, modification or change to the Plan and the Formal Disclosure Statement and a reasonable opportunity to review and comment on such documents. The Company Parties will provide to counsel to the Ad Hoc Second Lien Noteholder Group, the Backstop Parties and their counsel a copy of the Confirmation Order and a reasonable opportunity to review and comment on such Order prior to such Order being filed with the Bankruptcy Court. If the Exchange is to be effectuated by a Plan, the Company Parties will file the Ancillary Agreements as plan support documents and will seek Bankruptcy Court approval of the Ancillary Agreements as part of the process and at the hearing to confirm the Plan.

Section 5.2 Private Placement. To effectuate the Private Placement as provided herein and in accordance with the terms of the Offering Memorandum and Disclosure Statement.

Section 5.3 Notification. To notify, or to cause Kurtzman Carson Consultants LLC, the Subscription Agent for the Private Placement (the "**Subscription Agent**"), to notify the Backstop Parties (i) to the extent reasonably requested by the Backstop Parties, periodically during the Subscription Period and on each Business Day during the five Business Days prior to the Expiration Time (and any extensions thereto), of the aggregate number of Shares subscribed for in the Private Placement by Eligible Holders known by Vertis Holdings or the Subscription Agent as of the close of business on the preceding Business Day or the most recent practicable time before such request, as the case may be, and (ii) as soon as practicable after the Private Placement Payment Deadline (as specified in a press release issued by Vertis Holdings following the Expiration Time), the aggregate number of Shares validly subscribed for and purchased pursuant to the Private Placement.

Section 5.4 Backstop Party Shares. To determine the number of Backstop Party Shares, if any, in good faith, and to provide a Commitment Notice that accurately reflects the number of Backstop Party Shares as so determined.

Section 5.5 Conduct of Business. Except as explicitly set forth herein or otherwise contemplated by the transactions described in the Offering Memorandum and Disclosure Statement and as set forth on Schedule 5.5, during the period from the date of this Agreement to the Closing Date, the Company Parties shall, and shall cause the Subsidiaries to, carry on their businesses in the ordinary course and, to the extent consistent therewith, use their commercially reasonable efforts to preserve intact their current material business organizations, keep available the services of their current officers and employees and preserve their material relationships with customers, suppliers, licensors, licensees, distributors and others having business dealings with Vertis Holdings or its Subsidiaries. Without limiting the generality of the foregoing, and except as otherwise expressly provided or permitted by this Agreement, the Ancillary Agreements, or the Plan (in substantially the form attached as Exhibit A), prior to the Closing Date, the

Company Parties shall not, and shall cause the Subsidiaries not to, take any of the following actions without the prior written consent of the Requisite Percentage of Backstop Parties:

(a) amend, authorize or propose to amend its certificate of incorporation, bylaws or equivalent organizational documents, except as contemplated by Section 5.8;

(b) (i) declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its capital stock, (ii) split, sub-divide, combine or reclassify any of its capital stock (including the Shares) or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, except with respect to a reverse stock split effected in connection with an Out-of-Court Process, or (iii) purchase, redeem or otherwise acquire any shares of capital stock of Vertis Holdings or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities;

(c) issue, deliver, grant, sell, pledge, dispose of or otherwise encumber any of its capital stock or shares or any securities convertible into, or any rights, warrants or options to acquire, any such capital stock;

(d) incur or commit to incur any capital expenditure or authorization or commitment with respect thereto that in the aggregate are in excess of $32.5 million;

(e) acquire or agree to acquire by merging or consolidating with, or purchase any portion of the stock of, or other ownership interests in, or substantial portion of assets of, or by any other manner, any business or any corporation, partnership, association, joint venture, limited liability company or other entity or division thereof;

(f) sell, lease, mortgage, pledge, grant a lien, mortgage, pledge, security interest, charge, claim or other encumbrance of any kind or nature on or otherwise encumber or dispose of any of its properties or assets, except in the ordinary course of business consistent with past practice;

(g) incur any indebtedness for borrowed money or guarantee any such indebtedness of another individual or entity, issue or sell any debt securities or warrants or other rights to acquire any debt securities of Vertis Holdings or any of its Subsidiaries, guarantee any debt securities of another individual or entity, enter into any "keep well" or other agreement to maintain any financial statement condition of another Person (other than a subsidiary) or enter into any arrangement having the economic effect of any of the foregoing, except that the Company Parties shall be permitted to incur indebtedness under its existing revolving credit facility in the ordinary course of business;

(h) except as required to comply with Law and, in the case of clauses (iii) and (iv), except in the ordinary course of business consistent with past practice,: (i) enter into, adopt, amend or terminate any Company Benefit Plan, (ii) increase in any material manner the compensation or fringe benefits of any existing director or officer of Vertis Holdings or any of its Subsidiaries other than in the ordinary course of business, (iii) enter into, renew (other than Contracts, commitments or arrangements that by their terms renew automatically without action by either party) or terminate any Contract, commitment or arrangement providing for the payment of compensation or benefits to any director or officer or any other employee of Vertis

Holdings or any of its Subsidiaries or (iv) terminate the employment of or hire any officer or director of Vertis Holdings (other than termination for cause).

(i) (i) pay, discharge, settle or satisfy any claims, liabilities or obligations (whether absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction in the ordinary course of business consistent with past practice or as required by their terms as in effect on the date of this Agreement of claims, liabilities or obligations reflected or reserved against in the Financial Statements (or the notes thereto) of Vertis Holdings (for amounts not in excess of such reserves) or incurred since the date of such Financial Statements in the ordinary course of business consistent with past practice, (ii) cancel any material indebtedness or (iii) waive, release, grant or transfer any right of material value;

(j) terminate or cancel any material Contract;

(k) (i) other than in the ordinary course of business consistent with past practice, commence, prosecute, compromise or settle any action, appeal, petition, plea, charge, complaint, claim, suit, demand, litigation, arbitration, mediation, hearing, inquiry, investigation or similar event, occurrence, or proceeding (an "**Action**") by Vertis Holdings or any of its Subsidiaries against any third party (other than an Action as a result of an Action commenced against Vertis Holdings or any of its Subsidiaries) or (ii) compromise or settle any Action commenced against Vertis Holdings or any of its Subsidiaries that involves the payment of money damages by Vertis Holdings or any of its Subsidiaries in excess of $10 million in the aggregate, or that involves the imposition of any equitable relief on, or the admission of wrongdoing by, Vertis Holdings or any of its Subsidiaries;

(l) change any material financial or material tax accounting methods, principles or practices, except insofar as may have been required by a change in GAAP or applicable Law, or revalue any of its material assets;

(m) file a motion in the Bankruptcy Court seeking to reject a material Contract or enter into or materially amend or modify or terminate a material Contract, except with respect to Real Property Leases;

(n) subject to the officers, directors and/or managers of Vertis Holdings and/or its Subsidiaries exercising their fiduciary duties and compliance with applicable Law, seek to place Vertis Holdings or any of its Subsidiaries into any insolvency, receivership, or bankruptcy process (including but not limited to liquidation and examinership) or to seek an arrangement with its creditors other than as expressly contemplated by the Plan or the Offering Memorandum and Disclosure Statement;

(o) extend, amend or modify any of the terms of the Exchange Offer or the Private Placement, or waive any of the conditions to the Exchange Offer, except with respect to immaterial technical or conforming amendments or modifications; or

(p) commit, or agree to take, any of the foregoing actions.

Section 5.6 Access and Information. From the date hereof until the Closing Date, subject to any applicable Laws, the Company Parties shall at the Company Parties' expense (i)

afford any Backstop Party and its representatives access, during regular business hours, upon reasonable advance notice and in a manner as would not be unreasonably disruptive to the normal business or operations of Vertis Holdings or any of its Subsidiaries, to the assets, books and records of Vertis Holdings and its Subsidiaries (including Tax work papers and Tax Returns), (ii) furnish, or cause to be furnished, to the Backstop Party any financial and operating data and other information that is available with respect to Vertis Holdings and its Subsidiaries as the Backstop Party from time to time reasonably requests and (iii) instruct their respective employees and their and the Subsidiaries' legal and financial advisors to cooperate, during regular business hours, with the Backstop Party in its investigation of Vertis Holdings and its Subsidiaries.

Section 5.7 Financial Information. Beginning on the date hereof until the Closing Date, the Company Parties shall provide to each Backstop Party copies of all annual and quarterly financial reports and other financial information required to be provided to their lenders under the Restructuring Financing.

Section 5.8 Organizational Documents. Immediately prior to the Closing Date, Vertis Holdings shall (a) file with the Secretary of State of the State of Delaware an amended and restated certificate of incorporation of Vertis Holdings consistent in all material respects with the Stockholders Agreement Term Sheet, Section 3.4 and Section 5.13 and otherwise in form and substance reasonably satisfactory to the Company Parties and the Requisite Percentage of Backstop Parties and (b) adopt amended and restated by-laws consistent in all material respects with the Stockholders Agreement Term Sheet and otherwise in form and substance reasonably satisfactory to the Company Parties and the Requisite Percentage of Backstop Parties.

Section 5.9 Restructuring and DIP Financing.

(a) The Company Parties shall, in consultation with the Backstop Parties, use best efforts to negotiate the terms and conditions of Restructuring Financing with terms and conditions as approved by the Requisite Percentage of Backstop Parties, such approval not to be unreasonably withheld. The Company Parties shall use best efforts to consummate such Restructuring Financing as contemplated hereby, including, without limitation, by executing all documentation related thereto or in connection therewith.

(b) In the event of an In-Court Process, the Company Parties shall, in consultation with the Backstop Parties, use their best efforts to negotiate the terms and conditions of DIP Financing with terms and conditions as approved by the Requisite Percentage of Backstop Parties, such approval not to be unreasonably withheld. The Company Parties shall use their best efforts to consummate such DIP Financing as contemplated hereby, including, without limitation, filing a motion requesting approval of the DIP Financing and supporting papers with the Bankruptcy Court within two Business Day of the Petition Date.

Section 5.10 Competing Proposals. Until the earlier of the termination of this Agreement and the Closing Date, each Company Party shall immediately (i) cease and cause to be terminated any ongoing solicitation, discussions and negotiations with respect to Alternative Transactions and (ii) not solicit any inquiries or proposals, or enter into any discussions, negotiations, understandings, arrangements or agreements, relating to an Alternative Transaction.

Notwithstanding anything to the contrary contained in this Agreement, if a Company Party or any of its Affiliates receives a proposal not solicited by a Company Party or any of their Affiliates in violation of this Section 5.10 and the board of directors of Vertis Holdings, acting in good faith, reasonably believes, after receiving advice from legal counsel, that the following actions are necessary to comply with its fiduciary duties under applicable Law, then the Company Parties may, in response to such proposal: (i) furnish information concerning the business to the party making such proposal (and to such party's representatives); (ii) participate in discussions and negotiations with such party (and with such party's representatives) regarding such proposal or enter into understandings, arrangements or agreements with respect to such proposal; and (iii) take any other actions necessary to satisfy such duties; provided that, (A) the Company Parties may only provide to the party making such proposal (and to such party's representatives) access to no more information regarding the business than that made available to the Backstop Parties, (B) the Company Parties may only engage in discussions with the party making such proposal (and to such party's representatives) subject to the requirement that the Company Parties shall have first received an executed confidentiality agreement that is no more favorable to such party than the confidentiality agreement to which the Backstop Parties were subject prior to entering into this Agreement, (C) the Company Parties shall provide the Backstop Parties with notice of such proposal as soon as practicable (and in no event less than 24 hours after receipt thereof) including the name of the party and the material terms of the proposal and shall keep the Backstop Parties reasonably informed of such discussions and negotiations, (D) the Company Parties shall negotiate with the Backstop Parties in good faith (to the extent that the Backstop Parties so desire) with respect to any changes proposed by the Backstop Parties to the terms of this Agreement, and (E) the Company Parties shall pay all Transaction Expenses.

Section 5.11 Payments to Backstop Parties. Except as expressly contemplated by this Agreement, the Company Parties shall not and shall not permit the Subsidiaries to make any payment to any Backstop Party or to any third party on behalf of or for the benefit of any Backstop Party in connection with the Exchange or the Private Placement.

Section 5.12 Further Assurances. The Company Parties shall, and shall cause the Subsidiaries to, execute and deliver, or cause to be executed and delivered, such further instruments or documents or take such other action and cause entities controlled by them to take such action as may be reasonably necessary (or as reasonably requested by the Backstop Parties) to carry out the Transactions.

Section 5.13 Vertis Holdings Equity Securities Prior to Closing Date. The Company Parties shall take all actions necessary so that on the Closing Date (a) in an In-Court Process, all equity securities of Vertis Holdings existing prior to the Closing Date shall be cancelled prior to the Closing Date or (b) in an Out-of-Court Process, all equity securities of Vertis Holdings existing prior to the Closing Date shall be cancelled or diluted prior to the Closing Date so as to constitute less than 0.01% of the outstanding Shares as of the Closing Date. Such actions may include canceling, surrendering, or redeeming such equity securities.

ARTICLE VI
ADDITIONAL COVENANTS OF THE BACKSTOP PARTIES

Each Backstop Party agrees, severally and not jointly, with the Company Parties:

Section 6.1 Information. To provide the Company Parties with such necessary information as the Company Parties reasonably request regarding the Backstop Parties for inclusion in the Offering Memorandum and Disclosure Statement and Formal Disclosure Statement.

Section 6.2 Further Assurances. Each Backstop Party shall execute and deliver, or cause to be executed and delivered, such further instruments or documents or take such other action and cause entities controlled by such Backstop Party to take such action as may be reasonably necessary (or as reasonably requested by the Company Parties) to carry out the Transactions.

ARTICLE VII
CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

Section 7.1 Conditions to the Obligations of the Backstop Parties. The obligation of each of the Backstop Parties to (i) purchase its portion of Shares in the Private Placement and (ii) to purchase its portion of the Backstop Party Shares pursuant to its Backstop Commitment, in each case on the Closing Date, is subject to the following conditions:

(a) Confirmation Order and Plan. In the event of an In-Court Process, the Confirmation Order shall have been entered by the Bankruptcy Court in form and substance reasonably satisfactory to the Requisite Percentage of Backstop Parties and shall not have been stayed. The Plan, as approved, and the Confirmation Order, as entered, in each case by the Bankruptcy Court, shall be consistent with the requirements for the Plan and the Confirmation Order set forth in Section 5.2 of this Agreement, and the conditions to confirmation and the conditions to the effective date of the Plan shall have been satisfied or waived, with the consent of the Requisite Percentage of Backstop Parties, by Vertis Holdings in accordance with the Plan.

(b) Bankruptcy Court Approval. In the event of an In-Court Process, the Ancillary Agreements shall have been approved by the Bankruptcy Court and shall have been executed by the parties thereto in substantially the same form as the form thereof filed with the Bankruptcy Court.

(c) Representations and Warranties and Covenants. The representations and warranties of the Company Parties set forth in Article III of this Agreement shall be true and correct in all respects as if made at and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct only as of the specified date); provided that to the extent any representation or warranty is not subject to a materiality or Material Adverse Effect qualification, it shall be true and correct in all material respects. The Company Parties shall have complied in all material respects with all covenants in this Agreement and the Ancillary Agreements applicable to them.

(d) No Material Adverse Effect. Since the date hereof there must have been no event or series of events which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) Alternative Transaction. Neither Vertis Holdings nor any of its Affiliates shall have made a public announcement, entered into an agreement (including any agreement, letter of intent, memorandum of understanding or other such document that is not intended by the parties thereto to constitute a binding contract), or filed any pleading or document with the Bankruptcy Court evidencing its intention to support, or otherwise supporting, any Alternative Transaction.

(f) Exchange Offer. In the event of an Out-of-Court Process (i) Vertis Holdings shall have commenced the Exchange Offer, (ii) the Exchange Offer shall have been conducted in accordance with, and on the terms set forth in, the Offering Memorandum and Disclosure Statement in substantially the form attached as Exhibit B and in accordance with this Agreement, (iii) the Offering Memorandum and Disclosure Statement shall not have been extended, modified, supplemented or amended unless such extension, modification, supplement or amendment is approved by the Requisite Percentage of Backstop Parties, except with respect to immaterial technical or conforming amendments or modifications, and (iv) each of the Exchange Offer Conditions shall have been satisfied or, with the consent of the Requisite Percentage of Backstop Parties, waived.

(g) Private Placement. Vertis Holdings shall have commenced the Private Placement, the Private Placement shall have been conducted in accordance with, and on the terms set forth in, the Offering Memorandum and Disclosure Statement and in accordance with this Agreement and the Expiration Time and the Private Placement Payment Deadline shall have occurred. Each Backstop Party shall have received a Commitment Notice in accordance with Section 1.3 from Vertis Holdings, dated as of the Determination Date, certifying as to the number of Backstop Party Shares to be purchased by each Backstop Party pursuant to its Backstop Commitment.

(h) Shares and Capitalization. The Shares shall be, upon payment of the aggregate Purchase Price as provided herein, validly issued, fully paid, non-assessable and free and clear of all taxes, liens, pre-emptive rights, rights of first refusal, subscription and similar rights (except as provided in the Stockholders Agreement). On the Closing Date (i) in the case of an Out-of-Court Process and assuming that 98% of the Second Lien Notes and Senior PIK Notes are validly tendered for exchange in the Exchange Offers and all holders of Second Lien Notes subscribe for and purchase their respective Allotted Amounts in the Private Placement, no more than 16,700,000 Shares (less the Reduction Amount) will be issued and outstanding, subject to any rounding, or (ii) in the case of an In-Court Process and assuming that all holders of Second Lien Notes subscribe for and purchase their respective Allotted Amounts in the Private Placement, no more than 18,000,000 Shares (less the Reduction Amount) will be issued and outstanding. On the Closing Date, no options, warrants or other rights to acquire capital stock of Vertis Holdings will be outstanding (except as provided in the Stockholders Agreement), subject to any rounding.

(i) No Restraint. No Order shall prohibit the consummation of the Plan, the Private Placement or the Transactions.

(j) Consents and Approvals. All notifications, filings, consents, waivers and approvals of or to any Governmental Authority or any third Person required for the consummation of the Transactions shall have been made or received and shall remain in full force and effect.

(k) Restructuring Financing. The Company Parties shall have consummated the Restructuring Financing with terms and conditions as approved by the Requisite Percentage of Backstop Parties.

(l) Company Certificate. In the event of an Out-of-Court Process, the Backstop Parties shall have received on and as of the Closing Date a certificate from Vertis Holdings confirming that the conditions set forth in Section 7.1(d) and (e) have been satisfied.

(m) Fees, Etc. All fees, Transaction Expenses and other expenses and other amounts required to be paid or reimbursed to the Backstop Parties as of the Closing Date shall have been paid or reimbursed.

(n) Ancillary Agreements. The Company Parties shall have delivered or executed and delivered to the Backstop Parties, the agreements and other documents contemplated by this Agreement including the Ancillary Agreements.

(o) Organizational Documents. The Company Parties shall have filed with the Secretary of State of the State of Delaware an amended and restated certificate of incorporation of Vertis Holdings, and shall have adopted amended and restated by-laws of Vertis Holdings, in each case on the terms specified in Section 5.8.

(p) Existing Stockholders Agreement. The Stockholders Agreement of Vertis Holdings dated as of October 17, 2008 shall have been terminated in all respects.

Section 7.2 Conditions to the Obligations of Vertis Holdings. The obligation of Vertis Holdings to issue and sell the Backstop Party Shares to the Backstop Parties on the Closing Date is subject to the following conditions:

(a) Confirmation Order and Plan. In the event of an In-Court Process, the Confirmation Order shall have been entered by the Bankruptcy Court and such Order shall not have been stayed. The Plan as approved and the Confirmation Order as entered in each case by the Bankruptcy Court shall be consistent with the requirements for the Plan and the Confirmation Order set forth in Section 5.2 of this Agreement, and the conditions to confirmation and the conditions to the Closing Date of the Plan shall have been satisfied or waived by Vertis Holdings in accordance with the Plan.

(b) Aggregate Purchase Price. The Backstop Parties shall have delivered to the Subscription Agent the total aggregate Purchase Price for the Backstop Party Shares.

(c) Representations and Warranties and Covenants. The representations and warranties of each Backstop Party set forth in Article IV of this Agreement shall be true and correct in all respects as if made at and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct only as of the specified date); provided that to the extent any representation or warranty is not subject to a materiality or Material Adverse Effect qualification, it shall be true and correct in all material respects. Each Backstop Party shall have complied in all material respects with all covenants in this Agreement applicable to it, except as a result of any breach of representations, warranties or covenants by a Defaulting Backstop Party to the extent that one or more Non-Defaulting Backstop Parties purchase all Default Shares pursuant to Section 2.2.

(d) No Restraint. No Order shall prohibit the consummation of the Plan, the Private Placement or the Transactions.

(e) Consents and Approvals. All notifications, filings, consents, waivers and approvals of or to any Governmental Authority required for the consummation of the Transactions shall have been made or received and shall remain in full force and effect.

ARTICLE VIII
INDEMNIFICATION

Section 8.1 Indemnification Generally. Subject, in the case of an In-Court Process, to the approval of this Agreement by the Bankruptcy Court (if required) and subject to the other provisions of this Article VIII, whether or not the Private Placement is consummated or this Agreement or the Backstop Commitment of any Backstop Party is terminated, the Company Parties (in such capacity, the "**Indemnifying Party**"), shall jointly and severally indemnify, defend and hold harmless each Backstop Party and its respective officers, directors, employees, agents, advisors, counsel, representatives, controlling Persons and Affiliates (each an "**Indemnified Person**") from and against any and all claims, damages, losses, liabilities, costs and expenses (including, without limitation, but subject to Section 8.2, reasonable and documented out-of-pocket fees and disbursements of one firm of outside counsel for such Backstop Party plus local counsel) ("**Losses**"), that may be incurred by or asserted or awarded against any Indemnified Person, in each case arising out of or in connection with any claim, challenge, litigation, investigation, objection or proceeding made or initiated by any Person who is not a Backstop Party (collectively, a "**Third Party Claim**") or any threatened Third Party Claim, in each case which relates to the transactions contemplated by this Agreement; provided, however, that the foregoing indemnity shall not, as to any Backstop Party, apply to Losses to the extent they are determined by a final order of a court of competent jurisdiction to have resulted from fraud or the willful misconduct or gross negligence of such Backstop Party. The indemnity, reimbursement and contribution obligations of the Indemnifying Party under this Article VIII shall be in addition to, but not duplicative of, any Liability that the Indemnifying Party may otherwise have to an Indemnified Person and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnifying Party and any Indemnified Person.

Section 8.2 Certain Procedures for Third Party Claims. Promptly after receipt by an Indemnified Person of knowledge that a Third Party Claim exists (a "**Claim Proceeding**"), such

Indemnified Person will, if a claim is to be made hereunder against the Indemnifying Party in respect thereof, promptly (and in any event within ten Business Days) notify the Indemnifying Party in writing of the commencement thereof; provided that (a) the omission so to notify the Indemnifying Party will not relieve it from any Liability that it may have hereunder except to the extent it has been materially prejudiced by such failure and (b) the omission so to notify the Indemnifying Party will not relieve it from any Liability that it may have to an Indemnified Person otherwise than on account of this Article VIII. In case any such Claim Proceedings are brought against any Indemnified Person and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, to the extent that it may elect by written notice delivered to such Indemnified Person, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Person; provided that if the defendants in any such Claim Proceedings include both such Indemnified Person and the Indemnifying Party and such Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Indemnifying Party, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Claim Proceedings on behalf of such Indemnified Person. Upon receipt of notice from the Indemnifying Party to such Indemnified Person of its election so to assume the defense of such Claim Proceedings and approval by such Indemnified Person of counsel, the Indemnifying Party shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with the defense thereof (other than reasonable costs of investigation) unless (i) such Indemnified Person shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the preceding sentence, (ii) the Indemnifying Party shall not have employed counsel reasonably satisfactory to such Indemnified Person to represent such Indemnified Person within a reasonable time after notice of commencement of the Claim Proceedings or (iii) the Indemnifying Party shall have authorized in writing the employment of counsel for such Indemnified Person.

Section 8.3 Limitations. The Indemnifying Party shall not be liable for any settlement of any Claim Proceedings effected without the Indemnifying Party's written consent (which consent shall not be unreasonably withheld, conditioned or delayed). If any settlement of any Claim Proceeding is consummated with the written consent of the Indemnifying Party or if there is a final Order for the plaintiff in any such Claim Proceedings, the Indemnifying Party agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or Order in accordance with, and subject to the limitations of, the provisions of this Article VIII. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld, conditioned or delayed), enter into any settlement of any Claim Proceeding unless such settlement (a) includes an explicit and unconditional release of all Indemnified Persons from the party bringing such Claim Proceeding and (b) does not include a statement as to or an admission of fault, culpability, or a failure to act by or on behalf of any Indemnified Person.

ARTICLE IX
TERMINATION

Section 9.1 Automatic Termination. This Agreement shall automatically terminate if the Bankruptcy Court, or any other court of competent jurisdiction, enters an Order prior to the Closing Date declaring, in a final nonappealable Order, that this Agreement is unenforceable.

Section 9.2 Termination by Backstop Parties. Each of the Backstop Parties may terminate this Agreement as to itself upon written notice to Vertis Holdings of the occurrence of any of the following events:

(a) Alternative Transaction. The filing by Vertis Holdings or any of its Affiliates of any pleading or document with the Bankruptcy Court providing for or contemplating an Alternative Transaction.

(b) Breach or Failure to Perform. If any Company Party breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement or any Ancillary Agreement and such breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 7.1(d), (ii) cannot be or has not been cured within ten days following delivery by any of the Backstop Parties to Vertis Holdings of written notice of such breach or failure to perform and (iii) has not been waived by the Requisite Percentage of Backstop Parties; provided, however, that the right to terminate this Agreement pursuant to this Section 9.2(b) shall not be available if the failure of the Backstop Party so requesting termination to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of such condition to be satisfied on or prior to such date.

(c) Disclosure Statement. In the event of an In-Court Process, failure of the Bankruptcy Court to approve the Formal Disclosure Statement by the 60th day after the Petition Date.

(d) Confirmation Order. In the event of an In-Court Process, failure of the Bankruptcy Court to enter a Confirmation Order by the 90th day after the Petition Date.

(e) Restructuring Financing. Upon the occurrence of any acceleration of indebtedness under the Restructuring Financing.

(f) Exclusivity. The Bankruptcy Court issues an Order terminating Vertis Holdings' exclusive rights pursuant to Section 1121 of the Bankruptcy Code to file a plan of reorganization and solicit acceptances thereto.

(g) Consummation of the Private Placement. Failure of the Private Placement to be consummated by the 45th day after the date hereof, in the event of an Out-of-Court Process, or the 120th day after the date hereof, in the event of an In-Court Process, in each case other than by reason of a material breach of this Agreement by such Backstop Party.

(h) Dismissal, Conversion or Appointment of Examiner. In the event of an In-Court Process, if the Company Parties' bankruptcy cases shall have been dismissed or converted to cases under Chapter 7 of the Bankruptcy Code or if an interim or permanent trustee

or an examiner with expanded powers shall have been appointed to oversee or operate Vertis Holdings in its bankruptcy case.

(i) Restructuring Support Agreement. The occurrence of a Support Termination Event as defined in the Restructuring Support Agreement (without giving effect to any waivers or extensions of such Support Termination Event that may be granted or made pursuant to the Restructuring Support Agreement).

Section 9.3 Termination by Vertis Holdings. Vertis Holdings may terminate this Agreement upon written notice to the Backstop Parties of the occurrence of any of the following events:

(a) Breach or Failure to Perform. (i) If any Backstop Party breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement or any Ancillary Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 7.2, (B) cannot be or has not been cured within ten days following delivery by Vertis Holdings to each of the Backstop Parties of written notice of such breach or failure to perform, provided that any such cure would not result in a material delay of the Closing Date; and (C) has not been waived by Vertis Holdings; provided, however, that the right to terminate this Agreement pursuant to this Section 9.3(a) shall not be available if Vertis Holdings' failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of such condition; provided, further, however, that a breach by any Defaulting Backstop Party shall not give rise to a right to terminate this Agreement, or (ii) in accordance with Section 2.2(a)(i).

Section 9.4 Effect of Termination. Upon termination under this Article IX, all rights and obligations of the parties under this Agreement shall terminate without any Liability of any party to any other party except that nothing contained herein shall release any party hereto from Liability from any breach.

ARTICLE X
ADDITIONAL PROVISIONS

Section 10.1 Notices. All notices and other communications in connection with this Agreement will be in writing and will be deemed given (and will be deemed to have been duly given upon receipt) if delivered personally, sent via electronic facsimile or electronic mail (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as will be specified by like notice):

(a) If to the Backstop Parties, to the addresses set forth on Annex I hereto.

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

Bracewell & Giuliani LLP
225 Asylum Street, Suite 2600
Hartford, Connecticut 06103
Attn: Kurt A. Mayr
Facsimile: 860-760-6528
kurt.mayr@bgllp.com

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
NY, NY 10036
Attn: Ira Dizengoff; Robby Tennenbaum
Fascimile: (212) 872-1002
idizengoff@akingump.com; rtennenbaum@akingump.com

(b) If to any Company Party, to:

David Glogoff
250 West Pratt Street
Baltimore, MD 21201
Facsimile: (___) ____-_____
dglogoff@vertisinc.com

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

Skadden, Arps, Slate, Meagher and Flom LLP
4 Times Square
New York, New York 10036
Attn: Ken Ziman; Mark McDermott
Facsimile: 212-735-2000
ken.ziman@skadden.com; mark.mcdermott@skadden.com

Section 10.2 Assignment; Third Party Beneficiaries.

(a) Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned by any Company Party (whether by operation of law or otherwise) without the prior written consent of each Backstop Party.

(b) This Agreement and a Backstop Party's Backstop Commitment and rights hereunder may be sold, assigned, delegated and transferred by a Backstop Party (i) in whole or in part to any Affiliate of such Backstop Party (including clients and funds under management over which such Backstop Party or any of its Affiliates exercise investment authority, including, without limitation, with respect to voting and dispositive rights) in accordance with Section 2.8 or (ii) pursuant to a Third Party Offer (as defined below) in accordance with Section 10.2(c), but may not otherwise by sold, assigned, delegated or transferred.

(c) In the event that any Person who is not an Affiliate of the Backstop Party makes a binding written offer to purchase the entire Backstop Commitment of each Backstop Party that is approved by the Requisite Percentage of Backstop Parties and that is for a cash purchase price to be allocated among Backstop Parties strictly in accordance with their respective Backstop Commitments (a "**Third Party Offer**"), then (i) this Agreement and each Backstop Party's Backstop Commitment and rights hereunder may be sold, assigned, delegated and transferred to such Person pursuant to such Third Party Offer and (ii) the Backstop Parties constituting the Requisite Percentage of Backstop Parties that approved such Third Party Offer (the "**Approving Backstop Parties**") shall have the right to require each other Backstop Party to participate in the sale of the Backstop Commitments by selling all of such Backstop Party's Backstop Commitment and other rights under this Agreement pursuant to the terms of the Third Party Offer. Promptly following the approval of a Third Party Offer by the Requisite Percentage of Backstop Parties, the Approving Backstop Parties shall deliver a notice (the "**Third Party Offer Notice**") to each Backstop Party of such Third Party Offer and the approval thereof, and such notice shall include a copy of the Third Party Offer. The closing of the sale of the Backstop Commitments pursuant to the Third Party Offer shall occur on a Business Day selected by the Approving Backstop Parties, which shall be no earlier than five Business Days following delivery of the Third Party Offer Notice and at least five Business Days prior to the Closing Date. Each Backstop Party agrees to participate in, to sell all of its Backstop Commitment pursuant to, and to raise no objection to, such a Third Party Offer, and further agrees to execute and deliver at the closing of such sale any and all agreements and instruments reasonably requested by the Approving Backstop Parties to document and effectuate such sale. For the avoidance of doubt, any transfer of a Backstop Commitment pursuant to a Third Party Offer will not affect each Backstop Party's obligation to subscribe for the maximum amount of Shares such Backstop Party is eligible to purchase in the Private Placement and pay its aggregate Purchase Price in connection with the Private Placement, in each case, in accordance with Section 1.4.

(d) Notwithstanding the foregoing or any other provisions herein, no such assignment will relieve the assigning Backstop Party of its obligations hereunder unless Vertis Holdings shall have consented in writing to such assignment. This Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person other than the parties hereto and any of their assignees any rights or remedies under this Agreement. Any assignee hereunder shall be a party to this Agreement and, to the extent of the interest sold, assigned or transferred, shall have all rights of the assignor under this Agreement. The Company Parties agree to execute and deliver, or cause to be executed and delivered, all such instruments and documents, and to take all such action as may be necessary or as such assignee may reasonably request, in order to cause assignee to become the legal and beneficial owner of the interest sold, assigned or transferred to it and to receive all notices, distributions, Shares or other rights and benefits assignor was entitled to under this Agreement.

Section 10.3 Prior Negotiations; Entire Agreement. This Agreement (including the Ancillary Agreements) and any certificates, documents, instruments and writings delivered pursuant to it represent the complete agreement between the parties hereto as to all matters covered hereby, and supersede any prior agreements or understandings between the parties.

Section 10.4 Governing Law; Venue. THIS AGREEMENT, AND ALL CLAIMS ARISING OUT OF OR RELATING THERETO, WILL BE GOVERNED AND CONSTRUED

IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK. THE BACKSTOP PARTIES HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF, AND VENUE IN, THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND WAIVE ANY OBJECTION BASED ON *FORUM NON CONVENIENS*.

Section 10.5 Waiver of Consequential Damages. NO PARTY WILL BE ENTITLED TO RECOVER FROM ANY OTHER PARTY (PURSUANT TO THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT OR OTHERWISE) FOR ANY LOSSES, COSTS, EXPENSES OR DAMAGES IN EXCESS OF THE ACTUAL DAMAGES, COURT OR ARBITRATION COSTS AND REASONABLE ATTORNEY FEES SUFFERED BY SUCH PARTY, AND THE PARTIES WAIVE ANY RIGHT TO RECOVER CONSEQUENTIAL, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR EXEMPLARY DAMAGES ARISING IN CONNECTION WITH OR WITH RESPECT TO THIS AGREEMENT; PROVIDED, THAT SUCH WAIVER SHALL NOT APPLY TO ANY SUCH DAMAGES THAT ARE PAYABLE BY AN INDEMNIFYING PARTY PURSUANT TO ARTICLE VIII IN CONNECTION WITH A THIRD PARTY CLAIM.

Section 10.6 Counterparts. This Agreement may be executed in one or more counterparts, and may be delivered by means of facsimile or electronic transmission in portable document format, each of which shall be deemed to be an original and shall be binding upon the party who executed the same, but all of such counterparts shall constitute the same agreement. The failure of any Backstop Party to execute this Agreement does not make it invalid as against any other Backstop Party.

Section 10.7 Waivers and Amendments. This Agreement (including the exhibits and schedules hereto) may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions of this Agreement may be waived, only by a written instrument signed by Vertis Holdings and a Requisite Percentage of Backstop Parties and, to the extent required, the approval of the Bankruptcy Court; provided, however, that the amendment, modification, supersession, cancellation, renewal, extension or waiver of any of the following provisions (unless otherwise expressly provided in the relevant section) shall require the express written consent of each Backstop Party: Article II, Section 7.1, Section 9.2, Section 10.2 and this Section 10.7. Each Backstop Party may grant or withhold such Backstop Party's written consent to any amendment, modification, supersedence, cancellation, renewal or extension pursuant to the prior sentence in its sole discretion. No delay on the part of any party in exercising any right, power or privilege pursuant to this Agreement will operate as a waiver thereof, nor will any waiver on the part of any party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement. The rights and remedies provided pursuant to this Agreement are cumulative and are not exclusive of any rights or remedies which any party otherwise may have at law or in equity.

Section 10.8 Interpretation and Construction. This Agreement has been freely and fairly negotiated among the parties. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or

burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed thereto in Annex II. Unless the context requires otherwise, any agreements, documents, instruments or Laws defined or referred to in this Agreement will be deemed to mean or refer to such agreements, documents, instruments or laws as from time to time amended, modified or supplemented, including (a) in the case of agreements, documents or instruments, by waiver or consent and (b) in the case of laws, by succession of comparable successor statutes. All references in this Agreement to any particular law will be deemed to refer also to any rules and regulations promulgated under that Law. The words "include," "includes" and "including" will be deemed to be followed by "without limitation." The word "or" is used in the inclusive sense of "and/or" unless the context requires otherwise. References to a Person are also to its permitted successors and assigns. When a reference in this Agreement is made to an Article, Section, Exhibit, Annex or Schedule, such reference is to an Article or Section of, or Exhibit, Annex or Schedule to, this Agreement unless otherwise indicated. The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. If any party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached will not detract from or mitigate the fact that the party is in breach of the first representation, warranty or covenant.

Section 10.9 Headings. The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

Section 10.10 Specific Performance. The parties acknowledge and agree that any breach of the terms of this Agreement would give rise to irreparable harm for which money damages would not be an adequate remedy, and, accordingly, the parties agree that, in addition to any other remedies, each will be entitled to enforce the terms of this Agreement by an Order of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without the need of posting a bond.

Section 10.11 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 10.12 Publicity. The Company Parties will submit to counsel for the Ad Hoc Second Lien Noteholder Group all press releases, public filings, public announcements or other communications with any news media relating to this Agreement or the transactions contemplated hereby and any amendments thereof. The Company Parties shall not (a) use the name of any Backstop Party in any press release without such Backstop Party's prior written consent or (b) disclose to any person, other than legal, accounting, financial and other advisors to

the Company Parties, the principal amount or percentage of Second Lien Notes held by any Backstop Party or any of its respective subsidiaries; provided, however, that the Company Parties shall be permitted to disclose at any time the aggregate principal amount of, and aggregate percentage of Second Lien Notes held by the Backstop Parties as a group. Notwithstanding the foregoing, the Backstop Parties hereby consent to the disclosure by the Company Parties in the Plan and the documents related to the Out-of-Court Process or the documents related to the Plan, as applicable, as well as any required filings by the Backstop Parties with the Bankruptcy Court or as otherwise required by law or regulation, of the execution, terms and contents of this Agreement and the aggregate principal amount of, and aggregate percentage of Second Lien Notes held by, the Backstop Parties as a group.

Section 10.13 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of any Backstop Party shall have any liability for any obligations or liabilities of the Backstop Parties under this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

THE COMPANY PARTIES:

VERTIS HOLDINGS, INC.

By: _____
Name: Gerald Sokol Jr.
Title: Chief Financial Officer

VERTIS, INC.

By: _____
Name: Gerald Sokol Jr.
Title: Chief Financial Officer

ACG HOLDINGS, INC.

By: _____
Name: Gerald Sokol Jr.
Title: Chief Financial Officer

AMERICAN COLOR GRAPHICS, INC.

By: _____
Name: Gerald Sokol Jr.
Title: Chief Financial Officer

WEBCRAFT CHEMICALS, LLC
By Vertis, Inc., its sole member

By: _____
Name: Gerald Sokol Jr.
Title: Chief Financial Officer

WEBCRAFT, LLC

By: _____
Name: Gerald Sokol Jr.
Title: Chief Financial Officer

AVENUE CAPITAL MANAGEMENT II, L.P.,
on behalf of:

AVENUE INVESTMENTS, L.P.
AVENUE SPECIAL SITUATIONS FUND IV, L.P.
AVENUE SPECIAL SITUATIONS FUND V, L.P.
AVENUE-CDP GLOBAL OPPORTUNITIES FUND, L.P.
AVENUE INTERNATIONAL MASTER, L.P.

By: Avenue Capital Management II GenPar, LLC,
its General Partner

By: _____
Name: Sonia E. Gardner
Title: Member

Name of Backstop Party:

ALDEN GLOBAL CAPITAL,
ON BEHALF OF ITS FUNDS AND MANAGED ACCOUNTS

By: _____
Name: JIM PLOHG
Title: V.P.

Name of Backstop Party:
Archview Investment Group LP acting as Investment Advisor
Archview Credit Opportunities Fund LP
Archview Credit Opportunities Master Fund Ltd

By: _____
Name: Aaron M. Rosen
Title: Principal

BACKSTOP PARTIES:

Barclays Bank PLC

By: Brian Lankstree
Name: BRIAN LANKTREE
Title: VP GSSG

Name of Backstop Party:

Brencourt Credit Opportunities Master, Ltd

By: _____
Name: Gerald Arvino
Title: CFO of Brencourt Advisors, LLC, the Investment Advisor

Name of Backstop Party:

CITIGROUP GLOBAL MARKETS INC

By: _____

Name: MARC HEIMOWITZ

Title: MANAGING DIRECTOR

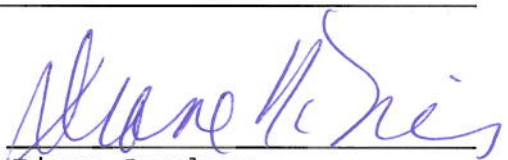
Name of Backstop Party:

Coast Trosh Strategy Investments Ltd.

By: _____
Name: Jonathan Jacobs
Title: General Counsel of Coast Asset Management, LLC,
its Investment Manager

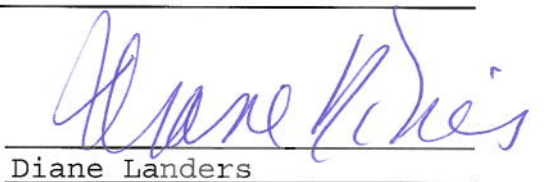
Name of Backstop Party:

Manulife Strategic Income Fund

By: 
Name: Diane Landers
Title: VP, Chief Administrative Officer

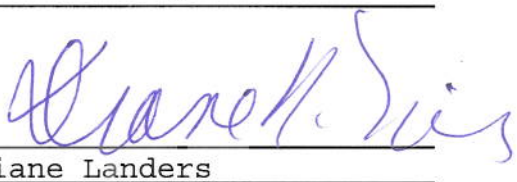
Name of Backstop Party:

Manulife Global Fixed Income Fund

By: 
Name: Diane Landers
Title: VP, Chief Administrative Officer

Name of Backstop Party:

John Hancock High Yield Fund

By: 
Name: Diane Landers
Title: VP, Chief Administrative Officer

Name of Backstop Party:

John Hancock Funds II High Income Fund

By: _____

Name: Diane Landers

Title: VP, Chief Administrative Officer

Name of Backstop Party:

John Hancock Strategic Income Fund

By: 
Name: Diane Landers
Title: VP, Chief Administrative Officer

Name of Backstop Party:

John Hancock Funds II Strategic Income Fund

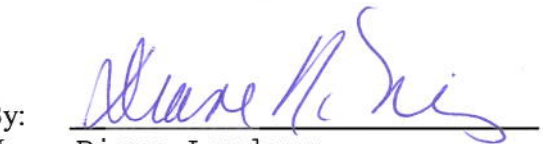
By: 

Name: Diane Landers

Title: VP, Chief Administrative Officer

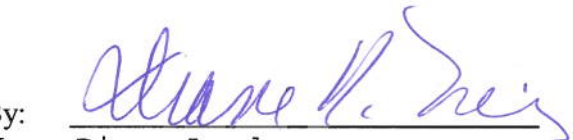
Name of Backstop Party:

Manulife Global Fund
Strategic Income Fund

By: 
Name: Diane Landers
Title: VP, Chief Administrative Officer

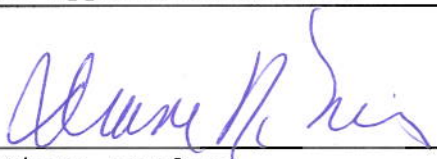
Name of Backstop Party:

John Hancock Investors Trust

By: 
Name: Diane Landers
Title: VP, Chief Administrative Officer

Name of Backstop Party:

Manulife Global Fund U.S.
Special Opportunities Fund

By: 
Name: Diane Landers
Title: VP, Chief Administrative Officer

Name of Backstop Party:

Morgan Stanley

By: _____

Name: Dan Ovenstein

Title: Managing Director

Name of Backstop Party:

TCM MPS Series Fund LP - Distressed Series

By: Troob Capital Management LLC as general
Name: Douglas Troob Douglas Troob partner
Title: managing Member

Name of Backstop Party:

TCm MPS Ltd SPC - Distressed Segregated

By: Douglas Troob
Name: Douglas Troob
Title: Director

Name of Backstop Party:

TCM MPS Ltd SPC-Oryx Segregated

By: Douglas Troob
Name: Douglas Troob
Title: Director

Annex I

Backstop Parties

[Attached]

Annex I

Backstop Parties

Name and Notice Address	Backstop Percentage
Alden Global Capital 885 Third Avenue, 34th Floor New York, NY 10022	
Archview Investment Group LP 70 East 55th Street, 14th Floor New York, NY 10022	
Avenue Investments L.P. 399 Park Avenue, 6th Floor New York, NY 10022	
Barclays Bank PLC 200 Park Avenue New York, NY 10166 Facsimile: (___) ____-_____	
Brencourt Advisors, LLC 600 Lexington Avenue New York, NY 10022 Facsimile: (____) ____-_____	
Citigroup Global Markets Inc. 388 Greenwich Street New York, NY 10013 Facsimile: (____) ____-_____	
Coast Troob Strategy Investments Ltd. c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604	
John Hancock Funds II High Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue	

Boston, MA 02199 _____	
John Hancock Funds II Strategic Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 _____	
John Hancock High Yield Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 _____	
John Hancock Investors Trust c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 _____	
John Hancock Strategic Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 _____	
Manulife Global Fixed Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 _____	
Manulife Global Fund Strategic Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199	
Manulife Global Fund U.S. Special Opportunities Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199	
Manulife Strategic Income Fund c/o MFC Global Investment Management U.S., LLC	

101 Huntington Avenue Boston, MA 02199	
Morgan Stanley 1585 Broadway, 2nd Floor New York, NY 10036 Facsimile: (____) ____-____	
TCM MPS Ltd. SPC – Distressed Segregated c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604	
TCM MPS Ltd. SPC – Oryx Segregated c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604	
TCM MPS Series Fund LP – Distressed Series c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604	
Total:	**100.0000%**

Annex II

Index of Defined Terms

"**Ad Hoc Second Lien Noteholder Group**" means, collectively, Archview Investment Group, Barclays Capital, Brencourt Advisors, LLC, Citadel Securities LLC, Citigroup Global Markets Inc., MFC Global Investment Management, Morgan Stanley, Alden Global Capital and Troob Capital Management, LLC.

"**Affiliate**" of any particular Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"**Alternative Transaction**" means any transaction providing for or contemplating (i) a capital raising transaction, including a plan of reorganization, that does not contemplate or is inconsistent with the Private Placement, (ii) a sale of any equity or debt securities of Vertis Holdings or any of its Subsidiaries or (iii) a sale of all or substantially all the assets of Vertis Holdings or any of its Subsidiaries; provided, however, that any transaction approved by the Requisite Percentage of Backstop Parties shall not be considered an Alternative Transaction.

"**Ancillary Agreements**" means the Stockholders Agreement.

"**Backstop Percentage**" means the percentage set forth for each Backstop Party on Annex I.

"**Business Day**" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks in New York, New York are authorized or required by applicable law to close.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Commission**" means the United States Securities and Exchange Commission.

"**Company Benefit Plan**" means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Vertis Holdings is the owner, the beneficiary, or both), "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, arrangement or agreement, whether written or oral) other employee benefit plans, agreements, programs, policies, arrangements or payroll practices, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the Transactions or otherwise) under which any current or former officer, director, employee, leased employee, consultant or agent (or their respective beneficiaries) of Vertis Holdings has any present or future right to benefits or to which Vertis Holdings could have any Liability

"**Contract**" means any agreement, lease, license, evidence of indebtedness, mortgage, indenture, security agreement or other contract.

"**DIP Financing**" means any post-petition financing under Section 364 of Title 11 of the Bankruptcy Code as now and hereinafter in effect, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law.

"**DOL**" means the U.S. Department of Labor.

"**Eligible Holder**" has the meaning given such term in the Offering Memorandum and Disclosure Statement.

"**Encumbrance**" means any liens, pledges, charges, mortgages, security interests, pre-emptive rights, easements, encumbrances or other similar rights of others.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulations promulgated thereunder.

"**ERISA Affiliate**" means, with respect to any Company Party, any trade or business (whether or not incorporated) that, together with such Company Party, are treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the IRC.

"**ERISA Event**" means with respect to any Company Party or any ERISA Affiliate, (a) any event described in Section 4043(c) of ERISA with respect to a Title IV Plan; (b) the withdrawal of any Company Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of any Company Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by any Company Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within 30 days; (g) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (h) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 or 4245 of ERISA; or (i) the loss of a Qualified Plan's qualification or tax exempt status; or (j) the termination of an ERISA Plan described in Section 4064 of ERISA, in each case of clauses (a) through (j), that individually or in the aggregate could reasonably be expected to result in liabilities to the Company Parties and their ERISA Affiliates in excess of $500,000.

"**ERISA Plan**" means at any time, an "employee benefit plan," as defined in Section 3(3) of ERISA, that any Company Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any Company Party.

"**ESOP**" means an ERISA Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the IRC.

"**Exchange Offer Conditions**" means the conditions to Vertis Holdings' obligation to consummate the Exchange Offer, as set forth in the Offering Memorandum and Disclosure Statement attached hereto as Exhibit B, without giving effect to any modification or amendment thereto unless approved by the Requisite Percentage of Backstop Parties.

"**Executory Contract**" has the meaning given such term in the Bankruptcy Code.

"**Foreign Pension Plan**" means any plan, fund (including, without limitation, any super-annuation fund) or other similar program established or maintained outside of the United States of America by any Company Party or any Subsidiary of any Company Party primarily for the benefit of employees of such Company Party or Subsidiary residing outside the United States of America, which plan, fund, or similar program provides or results in retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which is not subject to ERISA or the Code..

"**Governmental Authority**" means (a) any court, tribunal, judicial or arbitral body and (b) any government, multilateral organization or international organization or any agency, bureau, board, commission, ministry, authority, department, official, political subdivision or other instrumentality thereof, whether federal, state or local, domestic or foreign as well as any Persons owned or chartered by any of the foregoing.

"**Hazardous Materials**" means (a) any petroleum products or by products and all other hydrocarbons, coal, ash, radon, gas, asbestos, urea, formaldehyde form insulation, polycarbonated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material substance or waste that is prohibited, limited or regular by or pursuant to any Environmental laws.

"**Intellectual Property**" means any and all intellectual property rights of a material nature worldwide, including (a) registered and unregistered copyrights in both published works and unpublished works and other works of authorship in any media (including print and electronic), (b) fictitious business names, trading names, domain names, corporate names, trade dress, registered and unregistered trademarks, service marks, and all applications and registrations thereof, (c) any (i) patents and applications thereof and all reissues, divisionals, renewals, extensions, provisionals, continuations and continuations-in-part thereof, and (ii) business methods, inventions, disclosures, improvements and discoveries that may be patentable, (d) computer software (source code and object code) or middleware, and (e) know-how, trade secrets, confidential information, customer lists, technical information, data, data bases, process technology, plans, drawings, blue prints, licenses, and other rights corresponding to each of the foregoing throughout the World without limitation.

"**IRS**" means the Internal Revenue Service.

"**Knowledge**" means, with respect to any Person, actual knowledge of such Person and the actual knowledge of any officer or key employee or consultant of such Person (including any knowledge which persons in their positions should reasonably be expected to have or could be

expected to discover in the course of conducting a reasonable investigation concerning the existence of such fact or matter).

"**Law**" means any foreign, federal, state or local law, statute, treaty, rule, directive, regulation, ordinance, practice, circular or similar provision having the force or effect of law or any Order.

"**Liability**" means any liability or obligation of any kind, whether accrued, absolute, fixed or contingent or otherwise, whether known or unknown.

"**Material Adverse Effect**" means any circumstance, change in or effect on Vertis Holdings and its Subsidiaries, taken as a whole, that individually or in the aggregate with all other circumstances, changes in or effects on Vertis Holdings and its Subsidiaries, taken as a whole, is or is reasonably likely to be materially adverse to the business, operations, assets or liabilities (including contingent liabilities), results of operations or the conditions (financial or otherwise) of Vertis Holdings and its Subsidiaries, taken as a whole; provided, however, that any circumstance, change or effect arising out of or resulting from: (i) conditions generally affecting the United States economy or generally affecting the industries in which Vertis Holdings and its Subsidiaries operate; (ii) any act of terrorism within or outside the United States of America directed against its facilities or citizens wherever located, similar calamity or war in which the United States of America is involved; (iii) conditions generally affecting the financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (iv) changes in GAAP or other similar accounting requirements in foreign countries which are not specific to Vertis Holdings and its Subsidiaries; (v) changes in any laws, rules, regulations, orders, or other binding directives issued by any Governmental Authority; (vi) any action taken by Vertis Holdings or its Subsidiaries which is expressly permitted or required by this Agreement or which is requested by the Backstop Parties; (vii) any adverse change in or effect on the business of Vertis Holdings that is cured by Vertis Holdings before the Closing Date; (viii) to the extent demonstrable by Vertis Holdings, the public announcement, pendency or completion of the Transactions; or (ix) any failure, in and of itself, by Vertis Holdings or any of its Subsidiaries to meet any internal or disseminated projections, forecasts or revenue or earnings predictions for any period (it being understood that the facts and circumstances giving rise or contributing to such failure may be taken into account in determining whether there has been a Material Adverse Effect), shall not be taken into account in determining whether a "Material Adverse Effect" has occurred or would reasonably be expected to occur; provided, further, however, that any circumstance, change or effect described in clauses (i) – (v), shall not, either alone or in combination, constitute a "Material Adverse Effect" only if the impact of such circumstance, change or effect on Vertis Holdings and its Subsidiaries, taken as a whole, is not materially disproportionate as compared to its impact on other participants in the industries in which Vertis Holdings and its Subsidiaries operate**.**

"**Multiemployer Plan**" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, and to which any Company Party or ERISA Affiliate is making, is obligated to make or has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

"**Order**" means any judgment, injunction, decree, order or award of any Governmental Authority.

"**Pension Plan**" means an ERISA Plan described in Section 3(2) of ERISA.

"**Permitted Encumbrances**" means, with respect to each parcel of Owned Real Property, (a) real estate taxes, assessments and other governmental levies, fees or charges imposed with respect to such parcel which are not yet due and payable as of the Closing Date or are being contested, (b) mechanics', carriers', workmens', repairmens', contractors' or other similar Liens with respect to such parcel incurred in the ordinary course of business for amounts which has not or would not reasonably be expected to have a Material Adverse Effect (or any other Liens against which Vertis Holdings' or any of its Subsidiaries' title insurer shall be prepared to insure), (c) zoning, building and other land use laws imposed by any Governmental Authority having jurisdiction over such parcel, (d) easements, covenants, conditions, restrictions and other similar matters of record affecting title to such parcel which would not materially impair the use, occupancy or value of such parcel and other title defects in the operation of the business of Vertis Holdings and the Subsidiaries, (e) Liens for any financing secured by such Owned Real Property that is an obligation of Vertis Holdings or any of the Subsidiaries that will not be paid off at the Closing Date and (f) matters that would be disclosed on a correct ALTA survey (other than any material matters of which the Company Parties have Knowledge as of the date hereof).

"**Person**" means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

"**Proceeding**" means any claim, action, suit, inquiry, proceeding, audit or investigation by or before any Governmental Authority.

"**Qualified Plan**" means a Pension Plan that is intended to be tax-qualified under Section 401(a) of the IRC.

"**Requisite Percentage of Backstop Parties**" means Backstop Parties (other than any Defaulting Backstop Parties) holding a majority (in amount) of the aggregate Backstop Commitments (other than the Backstop Commitments of any Defaulting Backstop Parties) and each of Avenue Investments L.P. and Alden Global Capital, so long as such entity is not a Defaulting Backstop Party.

"**Restructuring Financing**" means the replacement and refinancing of the Revolving Credit Agreement and Term Loan Credit Agreement with a new revolving credit facility in an amount of $175 million and a new term loan in an amount of $425 million, on terms and conditions reasonably approved by the Requisite Percentage of Backstop Parties, in each case, to be available to Vertis Holdings following the Restructuring, whether accomplished through an In-Court Process or an Out-of-Court Process.

"**Restructuring Support Agreement**" means the restructuring support agreement dated the date hereof by and among Vertis Holdings, the Company Parties and the holders of Second Lien Notes parties thereto.

"**Revolving Credit Agreement**" means the Senior Secured Credit Agreement dated as of October 17, 2008 by and among Vertis, Vertis Holdings, the guarantors and credit parties named therein, General Electric Capital Corporation, as agent, and the lenders from time to time party thereto, as amended, restated, supplemented or otherwise modified as of the date hereof.

"**Retiree Welfare Plan**" means, at any time, a Welfare Plan that provides for continuing coverage or benefits for any participant or any beneficiary of a participant after such participant's termination of employment, other than continuation coverage provided pursuant to Section 4980B of the IRC and at the sole expense of the participant or the beneficiary of the participant.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Securities Laws**" means the Securities Act and the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

"**Stockholders Agreement**" means the stockholders agreement of Vertis Holdings, to be dated as of the Closing Date, among Vertis Holdings and substantially all holders of Shares in form and substance reasonably satisfactory to the Requisite Percentage of Backstop Parties and having the terms set forth on Exhibit C hereto.

"**Term Loan Credit Agreement**" means the Term Loan Credit Agreement dated as of October 17, 2008 by and among Vertis, Vertis Holdings, the guarantors named therein, Ableco Finance LLC, as agent, and the lenders from time to time party thereto, as amended, restated, supplemented or otherwise modified as of the date hereof.

"**Title IV Plan**" means a Pension Plan (other than a Multiemployer Plan), that is covered by Title IV of ERISA, and that any Company Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

"**Unfunded Pension Liability**" means, at any time, the aggregate amount, if any, of the sum of (a) the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the fair market value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan, and (b) for a period of 5 years following a transaction which might reasonably be expected to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by any Company Party or any ERISA Affiliate as a result of such transaction.

"**Welfare Plan**" means an ERISA Plan described in Section 3(l) of ERISA.

Term	Section
Action	Section 5.5(k)(i)
Additional Default Purchase Right	Section 2.2(a)(ii)
Additional Default Shares	Section 2.2(a)(ii)
Adequate Reserves	Section 3.25(a)
Agreement	Preamble
Allotted Amount	Recitals
Approving Backstop Parties	Section 10.2(c)
Avenue	Section 1.5
Avenue Term Loan Claim	Section 1.5
Backstop Commitment	Section 2.1(a)
Backstop Consideration	Section 2.4(a)
Backstop Parties	Preamble
Backstop Party Default	Section 2.2(a)(i)
Backstop Party Shares	Recitals
Bankruptcy Code	Section 2.4(d)
Bankruptcy Court	Recitals
Bankruptcy Rules	Section 3.2(a)
Cash Backstop Consideration	Section 2.4(a)
Citi	Section 1.6
Citi Allocated Shares	Section 1.6
Claim Proceeding	Section 8.2
Closing Date	Section 1.2
Commencement Date	Section 1.1(a)
Commitment Notice	Section 1.4
Company Assets	Section 3.11
Company Parties	Preamble
Confirmation Order	Section 5.1
Defaulting Backstop Party	Section 2.2(a)(i)
Default Purchase Right	Section 2.2(a)(i)
Default Shares	Section 2.2(a)(i)
Determination Date	Section 1.4
Environmental Laws	Section 3.18
Exchange	Recitals
Exchange Offer	Recitals
Expiration Time	Section 1.1(a)
Financial Statements	Section 3.9
Formal Disclosure Statement	Section 5.1
GAAP	Section 3.9
In-Court Process	Recitals
Indemnified Person	Section 8.1
Indemnifying Party	Section 8.1
Individual Expense Cap	Section 2.4(c)
Labor Disruption	Section 3.20(a)
Losses	Section 8.1

Term	Section
Non-Defaulting Backstop Parties	Section 2.2(a)(i)
Offering Memorandum and Disclosure Statement	Recitals
Offered Shares	Section 1.1
Out-of-Court Process	Recitals
Owned Real Property	Section 3.24
Petition Date	Section 2.4(d)
Plan	Recitals
Private Placement	Recitals
Private Placement Payment Deadline	Section 1.1(b)
Private Placement Party	Section 1.1(b)
Purchase Price	Recitals
Real Property Leases	Section 3.24
Reduction Amount	Section 1.3
Related Party	Section 3.26
Second Lien Notes	Recitals
Senior PIK Notes	Recitals
Series A Second Lien Notes	Recitals
Series B Second Lien Notes	Recitals
Series C Second Lien Notes	Recitals
Shares	Recitals
Subscription Agent	Section 5.3
Subscription Form	Section 1.1(b)
Subscription Period	Section 1.1(a)
Subsidiary/Subsidiaries	Section 3.1
Tax Return	Section 3.25(a)
Taxes	Section 3.25(a)
Third Party Claim	Section 8.1
Third Party Offer	Section 10.2(c)
Third Party Offer Notice	Section 10.2(c)
Transaction Expenses	Section 2.4(c)
Transactions	Section 2.4(c)
Transferring Backstop Party	Section 10.2(c)
Vertis	Preamble
Vertis Holdings	Preamble

Exhibit A

Form of Plan of Reorganization

[Attached]

See Docket No. 13

Exhibit B

Form of Offering Memorandum and Disclosure Statement

[Attached]

See Docket No. 13

Exhibit C

Stockholders Agreement Term Sheet

[Attached]

EXHIBIT C
TO EQUITY COMMITMENT AGREEMENT

VERTIS HOLDINGS, INC.
STOCKHOLDERS AGREEMENT
TERM SHEET

THIS TERM SHEET DOES NOT CONSTITUTE (NOR SHALL IT BE CONSTRUED AS) AN OFFER WITH RESPECT TO ANY SECURITIES, IT BEING UNDERSTOOD THAT SUCH A SOLICITATION, IF ANY, ONLY WILL BE MADE IN COMPLIANCE WITH APPLICABLE PROVISIONS OF SECURITIES AND OTHER APPLICABLE LAWS. THIS TERM SHEET DOES NOT ADDRESS ALL MATERIAL TERMS THAT WOULD BE REQUIRED IN CONNECTION WITH ANY POTENTIAL RESTRUCTURING AND ANY DEFINITIVE AGREEMENT IS SUBJECT TO THE EXECUTION OF DEFINITIVE DOCUMENTATION IN FORM AND SUBSTANCE CONSISTENT WITH THIS TERM SHEET AND OTHERWISE ACCEPTABLE TO THE PARTIES.

Parties to Stockholders Agreement.

- Any holder receiving shares in the exchange offer or the private placement and any management stockholders (i.e., all initial stockholders).
- Any transferee of a party to the Stockholders Agreement will be required to sign a joinder agreement and become a party.
- "Principal Stockholders" shall mean any stockholder who (together with its affiliates and its clients and funds under management over which it exercises, or its affiliates exercise, investment authority, "**Affiliates**") owns 4% or more of the outstanding shares.

Right of First Refusal.

- All transfers, other than transfers to Affiliates and certain other limited exceptions, will be subject to a pro rata right of first refusal in favor of each of the Principal Stockholders.
- Sales to third parties may only be effected through a designated trading desk, which will be Citi, Morgan Stanley, Barclays and such other trading desks as are designated by the Board. A bank will be removed from the designated trading desk list if it holds less than a 5% ownership stake unless the Board otherwise determines.
- After receiving a bid from a third party, the selling stockholder (or designated trading desk) must notify the company and the Principal Stockholders of the proposed trade, including price and identity of purchaser (which information will be kept confidential by the Company and the Principal Stockholders). The Principal Stockholders that elect to purchase such shares may do so at the bid price and on the same terms and conditions contained in the notice. The shares to be purchased will be allocated among the participating Principal Stockholders pro rata based on share ownership. If one or more of the Principal Stockholders declines to participate or elects to purchase less than its allotted pro rata share, the other electing Principal Stockholder(s) may purchase such declining Principal Stockholder's allocated remaining portion (pro rata among electing Principal Stockholders).

- 3 business day turnaround on right of first refusal process. The Stockholders Agreement will set forth procedures for the ROFR, including a process for expedited notice to designated representatives of the Principal Stockholders.
- To the extent the ROFR is not exercised, the trade may be completed within 1 year on the same terms contained in the notice. If the trade is not completed in 1 year, the shares may not be transferred unless the transferor re-starts the ROFR process.

Tag-along.

- Each stockholder will have tag-along rights for any transfers (other than transfers to Affiliates or other stockholders) by the Principal Stockholders in excess of the greater of (a) 7% of the outstanding shares and (b) 50% of such holder's share holdings; provided, that, such holders agree to execute reasonable transfer documentation in connection with the exercise of tag along rights, including agreeing to provide reasonable and customary representations regarding due execution, authorization and delivery of transfer documentation, no conflicts and title to shares and to share pro rata in all indemnity obligations.

Drag-along.

- If one or more stockholders holding 50.1% or more of the outstanding shares (including each of Alden (so long as it owns at least 15% of the outstanding shares) and Avenue (so long as it owns at least 15% of the outstanding shares)), desires (together with its Affiliates) to sell 50.1% or more of the outstanding shares, it can require each of the other stockholders to sell the same pro rata portion of its shares in the sale. Each dragged stockholder will execute reasonable transfer documentation in connection with the drag sale, including agreeing to provide reasonable and customary representations regarding due execution, authorization and delivery of transfer documentation, no conflicts and title to shares and to provide reasonable and customary indemnity for (i) breaches of such stockholder's representations and warranties regarding title to shares and due authorization and (ii) material breaches of such stockholder's other representations and warranties.

Other Transfer Provisions.

- The Company may deny any transfer if it would cause the record number of stockholders to exceed 450.
- The shares will not be listed or quoted on any exchange or trading system.
- The shares will not be certificated (and not held through DTC) unless otherwise determined by the Board, and the Company shall maintain a book entry system.
- Each Stockholder will acknowledge in the Stockholders Agreement with respect to any purchase or sale of Shares pursuant to the rights of first refusal with any Principal Stockholder (or any of its Affiliates) that is entitled to designate one or more members of the Board other than the Majority Vote Director (a "Counterparty") that:

    - no Counterparty has made any representation or warranty, express or implied, regarding the Company in connection with such purchase or sale transaction.

- a Counterparty may have, or may come into possession of, information with respect to the Shares, the Company or the Company's affiliates that may constitute material non-public information or information that is not known to such Stockholder and that may be material to a decision to the purchase or sale of Shares (collectively, "Counterparty Excluded Information"), and that such Counterparty may not be at liberty to disclose such information.

- a Counterparty shall have no liability to any Stockholder with respect to the nondisclosure of Counterparty Excluded Information.

- such Stockholder irrevocably and unconditionally waives and releases the Counterparty and its Affiliates from all claims (whether for damages, rescission or any other relief), that it might have against the Counterparty whether under applicable securities laws or otherwise, with respect to the nondisclosure of Counterparty Excluded Information in connection with such purchase or sale transaction, and such Stockholder has agreed not to solicit or encourage, directly or indirectly, any other person to assert such a claim.

- such Stockholder further confirms that it understands the significance of the foregoing waiver.

Preemptive Rights.

- All 5% holders will have preemptive rights with respect to new issuances of equity securities, subject to standard exceptions for (i) securities issued pursuant to any Equity Incentive Plan, (ii) securities issued as a stock dividend or distribution or upon any stock split, recapitalization or other subdivision or combination of securities, (iii) securities issued upon the exercise, conversion or exchange of any options, warrants or any other derivative securities of the Company issued in compliance with (or not otherwise in violation of) these provisions, (iv) securities issued in connection with a public offering, and (v) securities issued in connection with a strategic acquisition or joint venture, not for the primary purpose of capital raising.

Board Representation.

- 7 person board comprised of:
  - 2 designees appointed by the largest Principal Stockholder (initially Alden);
  - 1 designee appointed by the largest Principal Stockholder (initially Alden) who will serve as the Chairman of the Board, subject to such person being approved by the second largest Principal Stockholder (initially Avenue);
  - 2 designees appointed by the second largest Principal Stockholder (initially Avenue);
  - 1 designee appointed by a majority vote of the outstanding shares held by all Principal Stockholders other than the largest and second largest Principal Stockholders (initially Alden and Avenue) (the "**Majority Vote Director**"); and
  - the CEO.
- All decisions by the board must be approved by a supermajority of at least 5 directors.

- Committee appointments other than for "independent committees" must be approved by at least 1 director appointed by the largest Principal Stockholder, and 1 director appointed by the second largest Principal Stockholder, and the Majority Vote Director.

Registration Rights.

- Demand Rights. After an IPO, any holders (including Affiliates) of at least 10% in the aggregate of the outstanding shares may make 1 demand registration per annum as long as the registration size is at least $15 million.
- Piggyback Rights. Any 2.5% holder (including Affiliates) may elect to participate in a registration, subject to customary cutbacks.

Amendments and Waivers.

- Amendments or waivers must be approved by (a) all 5% stockholders or (b) stockholders owning at least 80% of the shares subject to the Stockholders Agreement.

Affiliate Transactions.

- Require approval of a majority of the disinterested directors plus other standard requirements.

Information Rights.

- Stockholders will have access to annual and quarterly financial statements, which (a) in the case of quarterly financial statements, will be delivered within 90 days after the end of the relevant fiscal quarter and (b) in the case of annual financial statements, will be delivered within 120 days after the end of the relevant fiscal year.
- All Principal Stockholders will have the same information rights.
- The Company shall provide reasonable information to potential purchasers of shares (other than competitors or affiliates of competitors), subject to execution of a confidentiality agreement in the form attached to the Stockholders Agreement, which form shall contain reasonable and customary terms. A Stockholder may directly share information with a potential purchaser (other than a competitor or an affiliate of a competitor) provided that (a) the Stockholder first notifies the Company of the identity of the potential purchaser and (b) such potential purchaser executes a confidentiality agreement in the form referenced above, and an executed copy of such confidentiality agreement is promptly provided to the Company.
- Information provided to Stockholders will be kept confidential.

Termination.

- Provisions, other than those relating to registration rights, terminate upon earlier of (a) IPO and (b) consent of parties (same requirement as for amendments).

Board Compensation.

- Reasonable and customary consistent with current and past practices
- Employees of Principal Stockholders who have the right to designate directors will receive NO cash or equity compensation for their role as Board members.

Management Fees

- Principal Stockholders and their affiliates will not charge or receive any management fees from the Company or its subsidiaries.

DISCLOSURE SCHEDULES
TO THE
EQUITY COMMITMENT AGREEMENT

Capitalized terms used but not defined in the following disclosure schedules (the "**Disclosure Schedules**") shall have the respective meanings ascribed to such terms in the Equity Commitment Agreement, by and among Verits Holdings, Inc., Vertis, Inc., the additional company parties set forth therein and the backstop parties set forth therein (the "**Agreement**"). Any matter set forth in any section or subsection of the Disclosure Schedules shall be deemed to be a disclosure for all purposes of the Agreement and all other sections or subsections of the Disclosure Schedules to which such matter could reasonably be expected to be pertinent on its face.

The Disclosure Schedules are qualified in their entirety by reference to the Agreement, and are not intended to constitute, and shall not be construed as constituting, representations or warranties of the Company Parties, except as and to the extent expressly provided in the Agreement. Matters reflected in the Disclosure Schedules are not necessarily limited to matters required by the Agreement to be reflected herein. Any disclosure of a matter, fact or circumstance shall not establish, or constitute an admission of, (i) the materiality of such fact or such circumstance, (ii) whether or not such matter, fact or circumstance rises to the level of any materiality or Material Adverse Effect standard or for purposes of the Agreement or the Disclosure Schedules or (iii) whether or not such matter, fact or circumstances is the "ordinary course of business." Any description of agreements herein is qualified in the entirety by reference to the actual agreements.

Schedule 3.4 (b)

OUTSTANDING OPTIONS, WARRANTS, ETC.

Stockholders' Agreement of Vertis Holdings, Inc. dated as of October 17, 2008, by and among Holdings, Avenue Investments, L.P. and the other stockholders that are signatories thereto, as amended.

Warrant Agreement (and documents referenced therein) of Vertis Holdings, Inc. dated as of October 17, 2008, by and among Holdings, Borrower and HSBC Bank USA, National Association, as Warrant Agent.

New Stockholders' Agreement to be entered prior to the closing of the Exchange Offers.

Schedule 3.5(a)

SUBSIDIARIES

ISSUER	TOTAL AUTHORIZED SHARES			OUTSTANDING SHARES			HOLDER
	Common Stock	Preferred Stock	**Total**	Of Common Stock	Total	Percentage of Total	
ACG Holdings, Inc.	5,852,223 @ par value $0.01/share	15,823 (4,038 Shares designated Series AA Preferred - 1,785 Shares designated Series BB Preferred par value)0.01/share	5,868,046	1	1	100%	Vertis, Inc.
American Color Graphics, Inc.	10M Class A Non-Voting @ par value $0.01/share; 100 Class B Voting @ par value $0.01/share	0	10,000,100	135,276.9 Class A shares; 3.0 Class B shares	135,279.9	100%	ACG Holdings, Inc.
Vertis, Inc.	3,000 @ par value $0.01/share		3,000	1,000	1,000	100%	Vertis Holdings, Inc.

Non-Stock U.S. subsidiaries:

ENTITY	INTEREST	MEMBER
Webcraft Chemicals, LLC	Single Member	Webcraft, LLC
Webcraft, LLC	Single Member	Vertis, Inc.

Non U.S. Entity subsidiaries:

ISSUER/ENTITY	AUTHORIZED SHARES		OUTSTANDING SHARES			HOLDER
	Common	Total	Of Common Stock	Total	Percentage of Total Outstanding	
Vertis Digital Services Limited	£1,000 divided into 1,000 @ £1 ordinary shares		2 @ £1/share	2	100%	Vertis, Inc.
Laser Tech Color Mexico, S.A. de C.V.	50,000 @ par value $1.00 (Un Peso 00/100		50,000	50,000	100%	Vertis Holdings, Inc. (1),

	M.N.) cada una				Vertis, Inc. (49,999)

Schedule 3.5(b)

SUBSIDIARIES – ENCUMBRANCES ON EQUITY

Senior Secured Credit Agreement, dated as of October 17, 2008, by and among Vertis, Inc., the other persons party thereto that are designated as Credit Parties, General Electric Capital Corporation, the other financial institutions party thereto, GE Capital Markets, Inc. and Bank of America, N.A., and all related collateral documents.

Term Loan Credit Agreement, dated as of October 17, 2008, by and among Vertis Inc., Vertis Holdings, Inc., and certain of its subsidiaries listed as a guarantor on the signature page thereto, the lenders from time to time party thereto, and Ableco Finance LLC and all related collateral documents.

Indenture, dated as of October 17, 2008, among Vertis Inc., the guarantors named therein and Wilmington Trust Company, as trustee relating to Vertis' Senior Secured Second Lien Notes due 2012 and all related collateral documents.

New DIP-to-Exit Facility and all related collateral documents.

New Term Loan Facility and all related collateral documents.

Schedule 3.5(c)

SUBSIDIARIES – OTHER OWNED EQUITY

From time to time, Vertis Holdings, Vertis and their Subsidiaries will acquire *de minimis* amounts of shares of capital stock acquired as a result of bankruptcy proceedings or other settlement arrangements.

Schedule 3.5(d)

SUBSIDIARIES - DIVIDENDS

Senior Secured Credit Agreement, dated as of October 17, 2008, by and among Vertis, Inc., the other persons party thereto that are designated as Credit Parties, General Electric Capital Corporation, the other financial institutions party thereto, GE Capital Markets, Inc. and Bank of America, N.A., and all related collateral documents.

Term Loan Credit Agreement, dated as of October 17, 2008, by and among Vertis Inc., Vertis Holdings, Inc., and certain of its subsidiaries listed as a guarantor on the signature page thereto, the lenders from time to time party thereto, and Ableco Finance LLC and all related collateral documents.

Indenture, dated as of October 17, 2008, among Vertis Inc., the guarantors named therein and Wilmington Trust Company, as trustee relating to Vertis' Senior Secured Second Lien Notes due 2012 and all related collateral documents.

Indenture, dated as of October 17, 2008, among Vertis Inc., the guarantors named therein and HSBC Bank USA, as trustee relating to Vertis' Senior PIK Notes due 2014.

New DIP-to-Exit Facility and all related collateral documents.

New Term Loan Facility and all related collateral documents.

New Revolving Credit Facility and all related collateral documents.

Schedule 3.7

NO CONFLICT

Senior Secured Credit Agreement, dated as of October 17, 2008, by and among Vertis, Inc., the other persons party thereto that are designated as Credit Parties, General Electric Capital Corporation, the other financial institutions party thereto, GE Capital Markets, Inc. and Bank of America, N.A., and all related collateral documents.

Term Loan Credit Agreement, dated as of October 17, 2008, by and among Vertis Inc., Vertis Holdings, Inc., and certain of its subsidiaries listed as a guarantor on the signature page thereto, the lenders from time to time party thereto, and Ableco Finance LLC and all related collateral documents.

Indenture, dated as of October 17, 2008, among Vertis Inc., the guarantors named therein and Wilmington Trust Company, as trustee relating to Vertis' Senior Secured Second Lien Notes due 2012 and all related collateral documents.

Indenture, dated as of October 17, 2008, among Vertis Inc., the guarantors named therein and HSBC Bank USA, as trustee relating to Vertis' Senior PIK Notes due 2014.

Schedule 3.9

FINANCIAL STATEMENTS

[Included in Offering Memorandum]

Schedule 3.11

SUFFICIENCY OF ASSETS; TITLE TO ASSETS

Senior Secured Credit Agreement, dated as of October 17, 2008, by and among Vertis, Inc., the other persons party thereto that are designated as Credit Parties, General Electric Capital Corporation, the other financial institutions party thereto, GE Capital Markets, Inc. and Bank of America, N.A., and all related collateral documents.

Term Loan Credit Agreement, dated as of October 17, 2008, by and among Vertis Inc., Vertis Holdings, Inc., and certain of its subsidiaries listed as a guarantor on the signature page thereto, the lenders from time to time party thereto, and Ableco Finance LLC and all related collateral documents.

Indenture, dated as of October 17, 2008, among Vertis Inc., the guarantors named therein and Wilmington Trust Company, as trustee relating to Vertis' Senior Secured Second Lien Notes due 2012 and all related collateral documents.

New DIP-to-Exit Facility and all related collateral documents.

New Term Loan Facility and all related collateral documents.

Schedule 3.18

COMPLIANCE WITH ENVIRONMENTAL LAWS

None.

Schedule 3.19

BENEFIT PLANS

Qualified Pension Plans not subject to Title IV
Vertis 401(k) Plan (successor by merger to the American Color Graphics Retirement Savings Plan)
Webcraft, LLC Employees Accumulated Savings Trust

Qualified Pension Plans subject to Title IV
Webcraft Retirement Income Plan
Webcraft Service Related Pension Plan
American Color Graphics, Inc. Pension Plan for Salaried and Southwest Hourly Employees
American Color Graphics, Inc. Pension Plan for Hourly Employees
Dunkirk Printing Pressmen and Assistants Local Union #191 Pension Plan

ERISA Welfare Benefit Plan
Vertis Health and Welfare Plan (includes Med/Den/Vision/EAP/Life and Disability, FSAs)

Retiree Welfare Plans
The Vertis Health and Welfare Plan includes miscellaneous retiree welfare benefits, primarily for certain former employees of American Color Graphics. As of December 31, 2009, all such retiree welfare benefits had a combined benefit obligation of $471,000.

Non-Qualified Pension Plans
Supplemental Executive Retirement Plan (SERP)
Deferred Compensation Plan

Multiemployer Plans
None.

Vertis Holdings previously contributed to the Graphic Communications Conference of the International Brotherhood of Teamsters Supplemental Retirement and Disability Fund ("the GCC Fund"), a multiemployer defined benefit pension plan. Vertis Holdings made a complete withdrawal from the GCC Fund during 2005, and was assessed withdrawal liability in the amount of $401,175.45. Vertis Holdings made payments of the withdrawal liability as demanded by the GCC Fund, and completed making all payments during 2008.

ESOPs
None.

Foreign Benefit Plans

Non contributory Defined Benefit Plan- Non Unionized employees (Canadian)

Contributory Defined Contribution Plan- Unionized Employees (Canadian)

Group Registered Retirement Savings Plan (Group RRSP) eligible for all employees (Canadian)

Unfunded Liabilities

The following Title IV Plans have the following unfunded liabilities as of December 31, 2009, determined in accordance with SFAS No. 158:

Webcraft Retirement Income Plan:	Benefit obligation	$14,051,148
	Fair value of assets	$ 8,511,473
	Underfunding	$ 5,539,675
Webcraft Service Related Pension Plan:	Benefit obligation	$ 5,069,501
	Fair value of assets	$ 2,802,211
	Underfunding	$ 2,267,290
ACG Pension Plan for Salaried and Southwest Hourly Employees	Benefit obligation	$43,154,977
	Fair value of assets	$26,449,382
	Underfunding	$16,705,595
ACG Pension Plan for Hourly Employees	Benefit obligation	$25,752,964
	Fair value of assets	$16,566,252
	Underfunding	$ 9,186,712
Dunkirk Printing Pressmen and Assistants Local Union #191 Pension Plan	Benefit obligation	$ 6,922,999
	Fair value of assets	$ 4,580,975
	Underfunding	$ 2,342,024

Schedule 3.20(a)

LABOR AND EMPLOYMENT MATTERS

Collective Bargaining Agreement for the term of February 1, 2005 to January 31, 2010 by and between Webcraft, LLC and United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied-Industrial and Service Workers International Union (USW) AFL-CIO-CLC District 4, Local 318, as modified by the Memorandum of Understanding dated January 29, 2010 ("MOU") which provides for a two year agreement effective February 1, 2010 through January 31, 2012; a new Collective Bargaining Agreement reflecting the terms of the MOU is being finalized

Communications, Energy and Paperworkers Union of Canada Local 425-G expiring on December 31, 2011

The Graphic Communications Conference(GCC)/International Brotherhood of Teamsters (IBT) Local 16-N has filed a Petition for Union Representation Election for the production employees at the Company's facility in Chalfont, Pennsylvania.

Schedule 3.22

BROKER'S FEES

Engagement Letter effective September 1, 2010, as amended, by and among Vertis Holdings, Inc. and each of its affiliates and subsidiaries and Perella Weinberg Partners, LP.

Engagement Letter dated March 1, 2010, as amended, by and between Vertis, Inc. and FTI Consulting, Inc.

Broker's fees in connection with New DIP-to-Exit Facility and New Term Loan Facility.

Schedule 3.23

REGISTRATION RIGHTS

Stockholders' Agreement of Vertis Holdings, Inc. dated as of October 17, 2008, by and among Holdings, Avenue Investments, L.P. and the other stockholders that are signatories thereto, as amended.

Schedule 3.24

REAL AND PERSONAL PROPERTY

A. Material real property owned

Active Owned

State	City	Location	Zip	Size	Space Use	Platform
AL	Sylacauga	1215 Fayetteville Road	35150	175,000	Manufacturing	Inserts
Ontario	Stevensville	3565 Eagle Street	L0S 1S0	154,149	Manufacturing	Inserts
CA	Glendora	511 West Citrus Edge	91740	22,000	Office	Inserts
CA	Riverside	7190 Jurupa Avenue (Riverside Division)	92504	112,500	Manufacturing	Inserts
CA	Sacramento	1201 Shore Street (Sacramento Division)	95691	57,483	Manufacturing	Inserts
GA	Atlanta	3440 Browns Mill Rd.	30354-2705	43,500	Manufacturing	Inserts
GA	Atlanta	3271 Hamilton Boulevard	30354	51,200	Manufacturing	Inserts
IA	Marengo	810 East South Street	52301	144,900	Manufacturing	Inserts
KS	Lenexa	14720 West 99th Street	91740-5006	89,403	Manufacturing	Inserts
MI	Greenville	1321 VanDeinse (Greenville Plant)	48838	130,000	Manufacturing	Inserts
MN	Shakopee	5101 Valley Industrial Blvd. South	55379-1821	164,831	Manufacturing	Inserts
NJ	Newark	80 Wheeler Point (Craig Adhesives Plant)	7105	23,000	Manufacturing	DM
NY	Saugerties	1 Tomsons Rd (Saugerties Plant)	12477-5121	209,000	Manufacturing	Inserts
OH	Medina	620 East Smith Road	44256	93,884	Manufacturing	Inserts
PA	Bristol	181 Rittenhouse Circle (Bristol Plant)	8902	123,000	Manufacturing	DM
PA	Chalfont	4371 County Line Rd (Chalfont Plant)	18914	347,076	Manufacturing	DM
PA	York	215 North Zarfoss Drive	17405	149,717	Manufacturing	Inserts
TX	Lufkin	3001 Atkinson Drive	75901	169,975	Manufacturing	Inserts
TX	San Antonio	6111 Woodlake Ctr Dr (San Antonio Div)	78244	67,900	Manufacturing	Inserts

B. Material leased

Leased Locations

Location	Exp. Date	Size Leased	Space Use	Business Unit
104 Caledonia Street 104 Caledonia Street, 225 Sausalito, California 94965	MTM	225	Office	Inserts
15350-15354 Stafford St. 15350-15354 Stafford St. City of Industry, CA 91744	09/30/2011	103,000	Subleased	Inserts
1630 Terminal St. 1630 Terminal St. West Sacramento, CA 95691-3815	10/31/2013	101,080	Whse	Inserts
1781 Langley 1781 Langley Avenue Irvine, CA 92614	9/30/2013	8,398	Whse	DM
2004 McGaw Avenue 2004 McGaw Avenue Irvine, CA 92614	9/30/2013	29,825	Mfg	DM
2867 Surveyor St. 2867 Surveyor St. Pomona, CA 91768-3251	6/30/2013	73,728	Whse	Inserts
3200 Pomona Boulevard 3200 Pomona Boulevard, Bldg. A Pomona, CA 91768-3251	05/31/2011	144,542	Mfg	Inserts
3840 Rosin Court 3840 Rosin Court, Suite 120 Sacramento, CA 95834	7/31/2012	4,153	Office	Media
9004 Hyssop Drive 9004 Hyssop Drive, Building B Rancho Cucamonga, CA 91730-6101	03/31/2013	8,854	Whse, Machine Shop	Inserts
Rancho Cucamonga 8970 Rochester Ave., Ste. A Rancho Cucamonga, CA 91730	02/28/2013	26,400	On Sublease Market.	Inserts
4775 Walnut Street 4775 Walnut Street, Suite D-1 Boulder, CO 80301	4/30/2012	20,140	Office	DSG

7 & 12 Corporate Dr., Unit #105 7 & 12 Corporate Dr. North Haven, CT 06473	12/27/2012	30,600	Mfg	Premedia
7 & 12 Corporate Dr. 7 & 12 Corporate Dr. North Haven, CT 06473	12/27/2012	1,000	Whse	Premedia
222 U.S. Hwy. One 222 U.S. Hwy. One, Office No. 208F, 2nd Flr. Tequesta, FL 33469	8/31/2010	200	Office	DM
3900 W. Coachman Avenue 3900 W. Coachman Avenue Tampa, Hillsborough, FL 33611	4/30/2014	81,956	Whse	Inserts
4646 South Grady 4646 South Grady Tampa, FL 33611	12/31/2015	72,418	Mfg	Inserts
Pavilion Centre 9755 Dogwood, 3F Suite 340 Atlanta, Fulton, GA 30337-1501	12/31/2011	2,209	Office	Corp/Supply Chain
205 West Wacker Drive 205 West Wacker Drive, Suite 2333 Chicago, Illinois 60606-1203	2/29/2012	1,394	Office	DM
600 W Chicago Avenue 600 West Chicago Avenue, 6th Floor Chicago, IL 60610	05/31/2011	52,024	Subleased	Premedia
975 E. Nerge Road 975 E. Nerge Road, Suite W-10 Room A Roselle, IL 60172	12/31/2010	140	Office	Inserts
Elk Grove Village 1221, 1239 and 1251 Mark Street Elk Grove Village, IL 60007	08/31/2012	64,738	On Sublease Market.	Inserts
Elk Grove Village, Il 1100 Thorndale Avenue Elk Grove Village, IL 60007-6748	08/31/2012	80,665	Mfg	Inserts
Oak Brook Exec. Plaza 1211 W. 22nd St., Suite 508 Oak Brook, IL 60521	02/28/2011	3,286	Office	DM
River Bend Industrial (J. Deere contract) 1300 19th Street Suite 200, 2500 sf	10/31/2012	2,500	Office	Premedia

East Moline, IL 61244				
Oxford Square North 14900 West 99th Street Lenexa, Kansas 66215-1113	8/31/2011	126,370	Inserts	Whse
250 West Pratt Street 250 West Pratt Street, 17, 18, 19 Baltimore, MD 21201	08/31/2014 17th Floor is subleased.	52,004	Office	Corporate
4601 Forbes Boulevard 4601 Forbes Boulevard, Suite 100 & 110 Lanham, MD 20706	8/31/2011	4,325	Office	DM
245 Benton Drive 245 Benton Drive East Longmeadow, MA 01028	02/02/2016	159,241	Mfg	Inserts
4 So. Russell Street 4 So. Russell Street, Suite 2 , 1st Floor Plymouth, MA 02360-3918	9/30/2010	1,000	Office	Inserts
43252 Woodward Avenue 43252 Woodward Avenue, Suite 220 Bloomfield Hills, MI 48302	5/31/2013	3,465	Office	DM
Franklin Place 29200 Northwestern Highway, Ste. 114 Southfield, MI 48034-1013	11/8/2012	702	Office	Premedia
500 Washington Avenue South 500 Washington Avenue South Minneapolis, Minnesota 55415	3/31/2012	12,577	On Sublease Market.	Premedia
Woodbridge Plaza Building 10201 Wayzata Blvd., Suite 335 Minnetonka, MN 55305-1550	8/31/2012 Subtenant leases 340 sq.ft.	974	Office	DM
3553 Rider Trail South 3553 Rider Trail South Earth City, MO 63045	5/31/2012	23,023	Studio	Premedia
151 Heller Place Building 15 151 Heller Place Building 15 Bellmawr, NJ 08031	3/31/2010 Relocating. Currently, in holdover.	80,760	Mfg	DM
180 Heller Place 180 Heller Place, 78,000 Bellmawr, NJ 08031	3/31/2010 Relocating. Currently, in holdover.	78,000	Whse	DM

190 Benigno Boulevard 190 Benigno Boulevard Bellmawr, New Jersey 08031	3/31/2010 Relocating. Currently, in holdover.	31,500	Whse	DM
28 Engelhard Drive 28 Engelhard Drive Cranbury, NJ 08512	06/30/2012	57,987	Mfg	DPS
South Brunswick 250 Heller Park Court Dayton, NJ 08810	06/30/2011	55,563	Whse	ACG
488 Mulberry St. 488 Mulberry St. Newark, NJ 07114-2738	12/31/2012	48,692	Mfg	DM
80 Stemmers Run 80 Stemmers Run Westhampton, NJ 07029	08/31/2015	160,108	Mfg	Premedia
Route 1 & Adam Station Route 1 & Adam Station , Bldg 4 North Brunswick, NJ 08902	09/28/2010	9,250	Whse	DM
Route 1 & Adam Station Route 1 & Adam Station, Bldg 1 North Brunswick, NJ 08902	09/30/2017	119,266	Mfg	DM
855 Rte. 146, Ste. 150 Clifton Park, NY 12065	5/31/2013	10,950	Office	Media
2225 Kenmore Avenue 2225 Kenmore Avenue, Suite 114 Buffalo, NY 14207-1359	10/31/2010	9,412	Office	ACG
40 W. 25th Street 12th Floor New York, NY 10010	4/30/2011	585	Office	DM
Uncle Bob's Self Storage 1275 Sheridan Drive, #182, #S612 Buffalo, NY 14217	MTM	650	Whse	Premedia
10911 Granite St. 10911 Granite St. Charlotte, NC 28273-6316	04/30/2013	105,700	Mfg	Inserts
7930 West Kenton Circle 7930 West Kenton Circle Huntersville, NC 28078	6/30/2012	951	Office	DM

1001 Distribution Drive 1001 Distribution Drive Columbus, OH 43228	12/31/2014	61,500	Whse	Inserts
10901 Reed Hartman Hwy 10901 Reed Hartman Hwy Ste. 201 Cincinnati, OH 45242	5/31/2011	312	Office	Inserts
4051 Fondorf Drive 4051 Fondorf Drive Columbus, Franklin County, OH 43228	12/31/2014	141,185	Mfg	Inserts
Chestnut Hill Office Park 4625 Morse Rd., Suite 201 Gahanna, OH 43230	07/31/2011	1,357	Office	DM
AP Industrial Park 6031,6035,6221,6231,6241 NE 92nd Ave., AP Building #2,3,4 Portland, OR 97220	11/30/2012	125,250	Mfg	Inserts
Marine Building 1771 NW Pettygrove St., Suite 104 Portland, OR 97209	7/31/2012	4,400	Office	Premedia
SIP #2 8811 & 8933 NE Marx Drive Portland, OR 97220	11/30/2012	48,000	Whse	Inserts
115 Industry Drive 115 Industry Drive Pittsburgh, PA 11275-1015	2/28/2012	10,050	Studio	Premedia
2901 Blackbridge Road 2901 Blackbridge Road York, PA 17402	12/31/2012	203,133	Mfg	DM
467 Creamery Way 467 Creamery Way Exton, PA 19341	07/31/2011	20,031	Office	ACG
Hanover 14 Barnhart Drive Hanover, PA 17331	03/31/2011	93,000	Sublease	ACG
728 N. Pleasantburg Drive Second Floor Greenville, SC 29607	12/31/2012	3915	Off	DM
415 - 419 S. Main	05/31/2012	6,311	Studio	Premedia

415 S. Main San Antonio, Texas 78204				
8000 Ambassador Row 8000 Ambassador Row Dallas, TX 75247	09/30/2012	50,400	Mfg	Inserts
8120 Ambassador Row 8120 Ambassador Row Dallas, TX 75247	09/30/2012	40,000	Whse	Inserts
Dunagan Warehouse 1507 Webber Street Lufkin, TX 75915-1607	10/31/2011	48,000	Whse	Inserts
Freeport Corporate Center 8650 Freeport Pkwy, Ste. 260 Irving, TX 75063	03/31/2013	6,871	On Sublease Market.	Creative Svcs.
King William Service Center 10665 King William Drive Dallas, TX 75220	6/30/2011	6,199	Whse	Premedia
Post Oak Memorial Centre 1050 North Post Oak, Building E, Suite 100 Houston, TX 77055	5/31/2012	14,670	Studio	Premedia
Westridge Tech Center 2010 Westridge Drive Irving, TX 75038	10/31/2012	91,649	Mfg	Premedia
Woodlake Distribution Ctr. #1 6129 Woodlake Ctr. Dr. San Antonio, TX 78244	04/30/2011	26,227	Whse	Inserts
1090 South 3800 West 1090 South 3800 West, Building 3 Salt Lake, UT 84104	8/31/2014	103,600	Mfg	Inserts
7619 Doane Drive 7619 Doane Drive Manassas, VA 20109	05/31/2014	108,120	Mfg	Inserts
14900 Interurban Avenue Suite 266, 25H Seattle, WA 98188	MTM	244	Office	DM

C. Material subleased

Subleased Locations

Subtenant	Address	City	State	Subtype	Expiration
Heritage Warehousing & Logistics LLC	1215 Fayetteville Road	Sylacauga	AL	Whse	MTM
Serec	15350-15354 Stafford St.	City of Industry	CA	Mfg	09/30/2011
Groupon/formerly Cloverleaf	600 W. Chicago Avenue	Chicago	IL	Office	05/30/2011
Protocol	600 W. Chicago Avenue, Ste. 400	Chicago	IL	Other	07/31/2011
ClearChannel	600 W Chicago Avenue	Chicago	IL	Office	05/31/2011
Groupon	600 W Chicago Avenue	Chicago	IL	Other	05/31/2011
CBRE	250 W. Pratt, 17th Floor	Baltimore	MD	Office	08/31/2014
Legacy dba/Legacy Athletic	14 Barnhard Drive	Hanover	PA	Office	03/31/2011
Legacy dba/Legacy Athletic	14 Barnhard Drive	Hanover	PA	Office	03/31/2011

Schedule 3.25(a)

TAX MATTERS – EXTENSIONS AND WAIVERS

Vertis has granted waivers on two sales and use tax audits, one in Michigan and the other in Ohio

Schedule 3.25(f)

TAX MATTERS – LISTED TRANSACTIONS

Vertis did have a prior leveraged lease transaction that fell under the listed transactions definition of Treasury Regulation section 1.6011-4(b)(2). 2004 was the last year Vertis participated in the transaction and all activity relating to that transaction has been closed. Vertis has been audited and the audit was closed and finalized, the issue is now closed.

Schedule 3.27

AFFILIATE TRANSACTIONS

In January 2010, affiliates of Avenue Investments, L.P. (together with its affiliates, "*Avenue")* purchased 1,878,331 shares of the Vertis Holdings' common stock and approximately $42 million aggregate principal amount of Vertis' 13 1/2% Senior Pay-in-Kind Notes due 2014 from Goldman Sachs & Co. ("*Goldman*"), representing all of such common stock and notes owned by Goldman on such date (the "*Avenue Purchase*").

Advisory Services Agreement, dated as of October 17, 2008, by and among Vertis Holdings, Inc., Vertis Inc., the subsidiaries of Vertis signatory thereto and Avenue Investments, L.P., as amended.

Advisory Services Agreement, dated as of October 17, 2008, by and among Vertis Holdings, Inc., Vertis Inc., the subsidiaries of Vertis signatory thereto, TCW Shared Opportunity Fund V, L.P. and TCW Shared Opportunity Fund IVB, L.P.

Advisory Services Agreement, dated as of October 17, 2008, by and among Vertis Holdings, Inc., Vertis Inc., the subsidiaries of Vertis signatory thereto and Goldman.

Advisory Services Agreement, dated as of April 29, 2010, by and among Vertis Holdings, Inc., Vertis Inc., the subsidiaries of Vertis signatory thereto, TCW Shared Opportunity Fund V, L.P. and TCW Shared Opportunity Fund IVB, L.P.

Stockholders' Agreement of Vertis Holdings, Inc. dated as of October 17, 2008, by and among Vertis Holdings, Inc., Avenue Investments, L.P. and the other stockholders that are signatories thereto, as amended.

There are currently intercompany receivables and payables by and among Vertis Holdings and its subsidiaries.

Schedule 5.5

CONDUCT OF BUSINESS

From time to time, Vertis Holdings, Vertis and their Subsidiaries will acquire *de minimis* amounts of shares of capital stock acquired as a result of bankruptcy proceedings or other settlement arrangements.

The following properties are currently for sale and Vertis Holdings and its Subsidiaries intend to consummate any necessary transactions to sale such locations:

City, State	Address	Asking Price
Chalfont, PA (vacant land)	4371 County Line	$3,500,000
Medina, OH	620 E. Smith	$1,400,000
Glendora, CA	511 W. Citrus Edge	$1,900,000
San Antonio, TX	6111Woodlake	$3,000,000
Atlanta - Browns Mill, GA	3440 Browns Mill	$1,750,000
Atlanta – Hamilton, GA	3271 Hamilton Blvd	$700,000
Saugerties, NY	1 Tomsons Rd	$730,000
Sylacauga, AL	1215 Fayetteville Rd.	$1,000,000

The Company Parties enter into and anticipate entering into ordinary course transactions which may include the incurrence of indebtedness permitted under its current credit facilities.

AMENDMENT NO. 1 TO EQUITY COMMITMENT AGREEMENT
AND ACCESSION AGREEMENT

This Amendment No. 1 to Equity Commitment Agreement and Accession Agreement (this "**Amendment**"), dated as of November 18, 2010, is made and entered into by and among (i) Vertis Holdings, Inc., a Delaware corporation ("**Vertis Holdings**"), Vertis, Inc., a Delaware corporation ("**Vertis**"), and the direct and indirect subsidiaries of Vertis Holdings signatory hereto (together with Vertis Holdings and Vertis, the "**Company Parties**"), (ii) each Person identified on the signature pages hereto as an "Initial Backstop Party" (the "**Initial Backstop Parties**") and (iii) each Person identified on the signature pages hereto as a "New Backstop Party" (the "**New Backstop Parties**" and, together with the Initial Backstop Parties, the "**Backstop Parties**").

RECITALS

WHEREAS, the Company Parties and the Initial Backstop Parties are parties to an Equity Commitment Agreement, dated as of November 1, 2010 (the "**Equity Commitment Agreement**");

WHEREAS, the Company Parties and the Initial Backstop Parties desire to amend the Equity Commitment Agreement on the terms and conditions set forth herein and desire to permit the New Backstop Parties to become parties to the Equity Commitment Agreement, as amended hereby;

WHEREAS, the New Backstop Parties desire to enter into and become parties to the Equity Commitment Agreement, as amended hereby;

NOW, THEREFORE, in consideration of the foregoing, and the representations, warranties, covenants and agreements set forth herein, and other good and valuable consideration, the parties signatory to this Amendment agree, subject to approval of the Bankruptcy Court, as follows:

1. Amendments.

(a) Backstop Commitments. The Equity Commitment Agreement is hereby amended by deleting Annex I to the Equity Commitment Agreement in its entirety and replacing such Annex I with the Annex I attached hereto.

(b) Waivers and Amendments. Section 10.7 of the Equity Commitment Agreement is hereby amended by adding the following at the end of such section:

> "Notwithstanding the proviso set forth in the first sentence of this Section 10.7, the express written consent of each Backstop Party shall not be required (but for the avoidance of doubt, the express written consent of the Requisite Percentage of Backstop Parties shall be required) to effect

an amendment to Article II or Annex I for purposes of adding one or more additional Persons (each, an "**Acceding Party**") to this Agreement as Backstop Parties and reducing the Backstop Commitments of the Backstop Parties to give effect to the addition of any such additional Backstop Parties, provided that such reduction in Backstop Commitments is made on a proportional basis among all Backstop Parties and does not result in greater than a twenty percent (20%) reduction in the Backstop Commitment of any Backstop Party that has not given its express written consent to such amendment. Each Acceding Party may become a party to this Agreement by executing an amendment to this Agreement or an accession agreement in form and substance acceptable to Vertis Holdings and the Requisite Percentage of Backstop Parties that is delivered to the Company Parties and each of the Backstop Parties."

2. Accession Agreement.

(a) Each of the Company Parties and the Initial Backstop Parties hereby agrees with each New Backstop Party that by such New Backstop Party's execution of this Amendment such New Backstop Party shall (i) become a party to the Equity Commitment Agreement, as amended hereby, (ii) be a "Backstop Party" under such agreement with the Backstop Percentage set forth on Annex I hereto and (iii) be entitled to all rights and privileges provided in the Equity Commitment Agreement, as amended hereby, that the New Backstop Party would have been entitled to if it had executed the Equity Commitment Agreement, as amended hereby, on November 1, 2010.

(b) Each New Backstop Party hereby agrees with the Company Parties and the Initial Backstop Parties that by such New Backstop Party's execution of this Amendment such New Backstop Party shall (i) become a party to the Equity Commitment Agreement, as amended hereby, (ii) be a "Backstop Party" under such agreement with the Backstop Percentage set forth on Annex I hereto and (iii) be subject to the same obligations that it would have been subject to if it had executed the Equity Commitment Agreement, as amended hereby, on November 1, 2010, and shall assume, keep, observe and perform, duly and punctually, all of the covenants, agreements and other terms and provisions in the Equity Commitment Agreement, as amended hereby, applicable to a Backstop Party.

(c) Each New Backstop Party hereby makes the representations and warranties attributed to it as a Backstop Party in the Equity Commitment Agreement. Each New Backstop Party hereby represents and warrants to each other party hereto that it has received a copy of the Equity Commitment Agreement.

3. General.

(a) *No Other Amendments; Equity Commitment Agreement Remains in Effect.* Except as expressly amended by this Amendment, the Equity Commitment Agreement shall remain in full force and effect in the form in which it existed immediately prior to the execution and delivery of this Amendment.

(b) *Amendments*. This Amendment may be amended, modified or changed only in a writing that is executed by the party against whom enforcement of any such amendment, modification or change is sought, except that the Equity Commitment Agreement (including Annex I thereto) may be amended, modified or changed in accordance with the terms of the Equity Commitment Agreement.

(c) *Definitions; Rules of Interpretation*. Capitalized terms used in this Amendment but not otherwise defined herein shall have the meanings given such terms in the Equity Commitment Agreement. The principles of construction and interpretation provided in the Equity Commitment Agreement shall also govern the construction and interpretation of this Amendment.

(d) *Governing Law; Venue*. THIS AMENDMENT, AND ALL CLAIMS ARISING OUT OF OR RELATING THERETO, WILL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK. THE BACKSTOP PARTIES HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF, AND VENUE IN, THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND WAIVE ANY OBJECTION BASED ON *FORUM NON CONVENIENS*.

(e) *Counterparts*. This Amendment may be executed in one or more counterparts, and may be delivered by means of facsimile or electronic transmission in portable document format, each of which shall be deemed to be an original and shall be binding upon the party who executed the same, but all of such counterparts shall constitute the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

THE COMPANY PARTIES:

VERTIS HOLDINGS, INC.

By: _____
Name: David L. Glogoff
Title: Secretary

VERTIS, INC.

By: _____
Name: David L. Glogoff
Title: Secretary

ACG HOLDINGS, INC.

By: _____
Name: David L. Glogoff
Title: Secretary

AMERICAN COLOR GRAPHICS, INC.

By: _____
Name: David L. Glogoff
Title: Secretary

WEBCRAFT CHEMICALS, LLC
By Vertis, Inc., its sole member

By: _____
Name: David L. Glogoff
Title: Secretary

WEBCRAFT, LLC

By: _____
Name: David L. Glogoff
Title: Secretary

INITIAL BACKSTOP PARTY:

ALDEN GLOBAL CAPITAL,
on behalf of funds and managed accounts

By: _____
Name: _____
Title: _____

Jason Pecora
Managing Director - Operations
Alden Global Capital

BACKSTOP PARTY:

ARCHVIEW INVESTMENT GROUP LP,
acting as Investment Advisor
ARCHVIEW CREDIT OPPORTUNITIES FUND LP
ARCHVIEW CREDIT OPPORTUNITIES MASTER FUND LTD

By: _____
Name: John Humphrey
Title: Partner

INITIAL BACKSTOP PARTY:

AVENUE CAPITAL MANAGEMENT II, L.P.,
on behalf of:

AVENUE INVESTMENTS, L.P.
AVENUE SPECIAL SITUATIONS FUND IV, L.P.
AVENUE SPECIAL SITUATIONS FUND V, L.P.
AVENUE-CDP GLOBAL OPPORTUNITIES FUND, L.P.
AVENUE INTERNATIONAL MASTER, L.P.

By: Avenue Capital Management II GenPar, LLC,
its General Partner

By: _____
Name: Sonia E. Gardner
Title: Member

BACKSTOP PARTY:

BARCLAYS BANK PLC

By: Brian Lawlor
Name: BRIAN LAWLOR
Title: VP CCSE

BACKSTOP PARTY:

BRENCOURT CREDIT OPPORTUNITIES MASTER, LTD

By: _____
Name: Gerald Aquino
Title: CFO of Brencourt Advisors, LLC, the Investment Advisor

INITIAL BACKSTOP PARTY:

Name of Backstop Party:

CITIGROUP GLOBAL MARKETS INC

By: _____
Name: MARC HEINEMANN
Title: MANAGING DIRECTOR

BACKSTOP PARTY:

COAST TROOB STRATEGY INVESTMENTS LTD.
By: Coast Asset Management, LLC
Its: Investment Manager

By: _____
Name: Jonathan Jacobs
Title: General Counsel

BACKSTOP PARTY:

JOHN HANCOCK FUNDS II HIGH INCOME FUND

By: _____

Name: Diane Landers

Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

JOHN HANCOCK FUNDS II STRATEGIC INCOME FUND

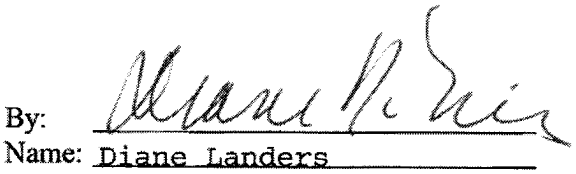
By: _____

Name: Diane Landers

Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

JOHN HANCOCK HIGH YIELD FUND

By: 
Name: Diane Landers
Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

JOHN HANCOCK INVESTORS TRUST

By: _____

Name: Diane Landers

Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

JOHN HANCOCK STRATEGIC INCOME FUND

By: _____

Name: Diane Landers

Title: Vice President, Chief Administrative Officer

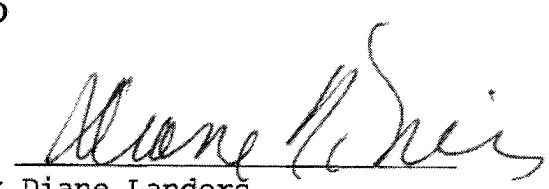
BACKSTOP PARTY:

MANULIFE GLOBAL FIXED INCOME FUND

By: 
Name: Diane Landers
Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

MANULIFE GLOBAL FUND STRATEGIC INCOME FUND

By: 
Name: Diane Landers
Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

MANULIFE GLOBAL FUND U.S. SPECIAL OPPORTUNITIES FUND

By: 

Name: Diane Landers

Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

MANULIFE STRATEGIC INCOME FUND

By: _____

Name: Diane Landers

Title: Vice President, Chief Administrative Officer

BACKSTOP PARTY:

MORGAN STANLEY

By: _____
Name: Dan Gerston
Title: Managing Director

BACKSTOP PARTY:

TCM MPS LTD SPC – DISTRESSED SEGREGATED

By: _____
Name: Peter Trocb
Title: Director

BACKSTOP PARTY:

TCM MPS LTD SPC – ORYX SEGREGATED

By: _____
Name: Peter Troob
Title: Director

BACKSTOP PARTY:

TCM MPS SERIES FUND LP – DISTRESSED SERIES

By: Trodb Capital Management LLC as general partner
Name: Peter Trodb
Title: Managing Member

NEW BACKSTOP PARTY:

Name of Backstop Party:

Sunrise Partners Limited Partnership

By: _____

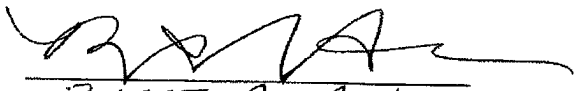
Name: Michael J. Berner

Title: Vice President

NEW BACKSTOP PARTY:

Name of Backstop Party:

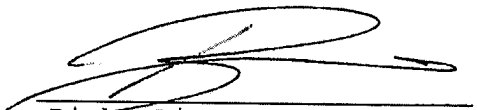
FLAGSTICK ENHANCED CREDIT MASTER FUND, LTD.

By: 
Name: ROBERT B. BURKE
Title: DIRECTOR

NEW BACKSTOP PARTY:

Name of Backstop Party:

HSBC Distressed Opportunities Master Fund, Ltd.

By: 
Name: Ricky Liu
Title: Vice President

NEW BACKSTOP PARTY:

Name of Backstop Party:

Merrill Lynch Pierce Fenner and Smith

By: _____
Name: Brian Callahan
Title: Managing Director

NEW BACKSTOP PARTY:

Name of Backstop Party:

CETUS CAPITAL, LLC

By: _____
Name: _____
Title: Richard Maybaum
Managing Director

NEW BACKSTOP PARTY:

Name of Backstop Party:

ALJ Capital I, L.P.

By: _____

Name: Lawrence B. Cali

Title: Authorized Signatory

NEW BACKSTOP PARTY:

Name of Backstop Party:

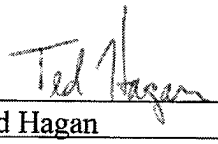
ALJ Capital II, LP

By: _____
Name: Lawrence B Gill
Title: Authorized Signatory

NEW BACKSTOP PARTY:

Name of Backstop Party:

Verition Multi-Strategy Master Fund Ltd.

By: 
Name: Ted Hagan
Title: Chief Financial Officer

Annex I

Backstop Parties

(as revised November 18, 2010)

Name and Notice Address	Backstop Percentage
Alden Global Capital 885 Third Avenue, 34th Floor New York, NY 10022 Facsimile: _____ _____	%
Archview Investment Group LP 70 East 55th Street, 14th Floor New York, NY 10022 Facsimile: _____	%
Avenue Investments L.P. 399 Park Avenue, 6th Floor New York, NY 10022 Facsimile: _____	%
Barclays Bank PLC 200 Park Avenue New York, NY 10166 Facsimile: (___) ____-_____ _____ _____	%
Brencourt Credit Opportunities Master, Ltd. 600 Lexington Avenue New York, NY 10022 Facsimile: (____) ____-_____ _____	%
Citigroup Global Markets Inc. 388 Greenwich Street New York, NY 10013 Facsimile: (____) ____-_____ _____	% % %
Coast Troob Strategy Investments Ltd. c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604 Facsimile: _____	

John Hancock Funds II High Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
John Hancock Funds II Strategic Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
John Hancock High Yield Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
John Hancock Investors Trust c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
John Hancock Strategic Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
Manulife Global Fixed Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
Manulife Global Fund Strategic Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%

Manulife Global Fund U.S. Special Opportunities Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
Manulife Strategic Income Fund c/o MFC Global Investment Management U.S., LLC 101 Huntington Avenue Boston, MA 02199 Facsimile: _____	%
Morgan Stanley 1585 Broadway, 2nd Floor New York, NY 10036 Facsimile: (____) ____-____ _____	%
TCM MPS Ltd. SPC – Distressed Segregated c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604 Facsimile: _____	%
TCM MPS Ltd. SPC – Oryx Segregated c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604 Facsimile: _____	%
TCM MPS Series Fund LP – Distressed Series c/o Troob Capital Management LLC 777 Westchester Avenue, Suite 203 White Plains, NY 10604 Facsimile: _____	%
Sunrise Partners Limited Partnership c/o Par-Four Investment Management, LLC 50 Tice Blvd. 3rd Floor Woodcliff Lake, NJ 07677 Facsimile: _____	%

Flagstick Enhanced Credit Master Fund, Ltd. c/o Par-Four Investment Management, LLC 50 Tice Blvd. 3rd Floor Woodcliff Lake, NJ 07677 Facsimile: _____	%
HSBC Distressed Opportunities Master Fund, Ltd. Attn: Ricky Liu 452 Fifth Avenue, Floor 7 New York, NY 10018 Facsimile: _____	%
Merrill Lynch Pierce Fenner and Smith 214 N Tryon St, Mailcode: NC1-027-15-01 Charlotte, NC 28255 Facsimile: _____	%
Cetus Capital, LLC 8 Sound Shore Drive Suite 303 Greenwich, CT 06830 Attn: Alanna DiSanzo Facsimile: _____	%
ALJ Capital I, L.P. c/o ALJ Capital Management, LLC 6300 Wilshire Boulevard, Suite 700 Los Angeles, CA 90048 Facsimile: _____ _____	%
ALJ Capital II, L.P. c/o ALJ Capital Management, LLC 6300 Wilshire Boulevard, Suite 700 Los Angeles, CA 90048 Facsimile: _____ _____	%
Verition Multi-Strategy Master Fund Ltd. One American Lane Greenwich, CT 06831 Facsimile: _____	%
Total:	**100.0000%**

APPENDIX III TO THE

AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL.

NEW STOCKHOLDERS' AGREEMENT

VERTIS HOLDINGS, INC.

STOCKHOLDERS' AGREEMENT

DATED AS OF [_____]

TABLE OF CONTENTS

STOCKHOLDERS' AGREEMENT dated as of [_____] (as amended, modified, supplemented or restated from time to time, this "**Agreement**"), among Vertis Holdings, Inc., a Delaware corporation (the "**Company**"), and the stockholders of the Company parties hereto from time to time.

RECITALS:

WHEREAS, the Company filed a petition for a reorganization under Chapter 11 of Title 11 of the United States Code on November 17, 2010; and

WHEREAS, the Company will issue shares of Common Stock pursuant to the terms of the Amended Joint Prepackaged Plan of Reorganization of Vertis Holdings, Inc., *et al.*, dated December [____], 2010, as confirmed [_____] (as may be amended or supplemented, the "**Plan of Reorganization**"); and

WHEREAS, as provided by the Plan of Reorganization, each Person who receives shares of Common Stock pursuant to the Plan of Reorganization and each Person who purchases Shares in the Private Placement (as defined in the Plan of Reorganization) will be deemed to be a party to, and bound by, this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as set forth herein.

ARTICLE I
PARTIES TO AGREEMENT; DEFINITIONS; RULES OF CONSTRUCTION

1.1 Parties to Agreement.

(a) This Agreement shall be binding on and inure to the benefit of (i) the Company, (ii) each Person who receives Shares pursuant to the Plan of Reorganization or who purchases Shares in the Private Placement (as defined in the Plan of Reorganization) and (iii) each other Person who hereafter acquires Shares, in the case of clauses (ii) and (iii), only for so long as such Person owns Shares, irrespective of whether any such Person has executed this Agreement or a Joinder Agreement.

(b) Each Person who acquires Shares on or after the date hereof shall be deemed to be a party to, bound by and obligated to comply with the terms and provisions of, this Agreement, with the same force and effect as if such Person had executed this Agreement as an original party hereto. The Company may refuse to issue to any Person or register or permit to be registered in the stock books of the Company any Transfer to any Person unless such Person has executed and delivered to the Company a joinder agreement in substantially the form attached hereto as Exhibit A (a "**Joinder Agreement**"), pursuant to which such Person acknowledges and agrees that such Person is a party to, bound by and obligated to comply with the terms and provisions of this Agreement and the Transfer otherwise complies with all of the applicable provisions of this Agreement.

1.2 Definitions.

As used in this Agreement, the following terms shall have the meanings set forth below.

"**Acceptable Investment Bank**" means a nationally recognized investment bank selected by the Board.

"**Affiliate**" means, with respect to any Person, (a) any other Person that directly, or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such Person and/or one or more Affiliates thereof and (b) such Person's clients and funds under management, in each case, over which such Person, or an Affiliate of such Person, exercises exclusive investment authority.

"**Alden**" means Alden Global Capital.

"**Agreement**" has the meaning given such term in the preamble.

"**Avenue**" means Avenue Investments, LP.

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day except a Saturday, a Sunday or any other day on which commercial banks are not required by law to be open in New York, New York.

"**By-laws**" means the by-laws of the Company, as amended, modified, supplemented or restated and in effect from time to time.

"**CEO Director**" has the meaning given such term in Section 4.1(a)(v).

"**Certificate**" means the certificate of incorporation of the Company, as amended, modified, supplemented or restated and in effect from time to time, including any certificates of designation, correction or amendment filed with the Secretary of State of the State of Delaware pursuant to the terms thereof.

"**Commission**" means the Securities and Exchange Commission and any other Governmental Authority at the time administering the Securities Act.

"**Common Stock**" means the common stock of the Company, par value $0.001 per share.

"**Company**" has the meaning given such term in the preamble.

"**Control**" means, (including, with correlative meaning, the terms "controlling," "controlled by" and "under common control with") with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or investment decisions of such Person, whether through the ownership of voting Securities, by contract or otherwise.

"**Co-Sale Notice**" has the meaning given such term in Section 2.4(a).

"**Co-Sale Shares**" has the meaning given such term in Section 2.4(b).

"**Counterparty**" has the meaning given such term in Section 2.3(f).

"**Counterparty Excluded Information**" has the meaning given such term in Section 2.3(f)(ii).

"**Demand Registration Request**" has the meaning given such term in Section 6.1(a).

"**Designated Trading Desk**" means (a) each of Citigroup Global Markets Inc., Morgan Stanley and Barclays Bank PLC (or one or more of their respective designated Affiliates) so long as such institution has a Percentage Ownership of at least 5% and (b) such other institutions as may be designated by the Board from time to time.

"**Drag Along Stockholders**" has the meaning given such term in Section 2.5(a)

"**Drag Along Sale**" has the meaning given such term in Section 2.5(a).

"**Drag Along Sale Notice**" has the meaning given such term in Section 2.5(b).

"**Eligible Demand Stockholder**" means, as of any time, each Stockholder that (together with its Affiliates) has a Percentage Ownership of at least 10%, but excluding any Management Stockholder.

"**Eligible Piggyback Stockholder**" means, as of any time, each Stockholder that (together with its Affiliates) has a Percentage Ownership of at least 2.5%.

"**Eligible Stockholder**" means, as determined from time to time, a Stockholder (or any of its Affiliates) who (a) is an "accredited investor" as such term is defined in Rule 501 of the Securities Act, and (b) at the time of determination, together with its Affiliates, has a Percentage Ownership of at least 5%.

"**Equity Incentive Plan**" means any plan or agreement established, or entered into, by the Company for the purposes of issuing Securities to any employee, officer, consultant or director of the Company or its Subsidiaries as compensation.

"**Equity Incentive Shares**" means Shares issued pursuant to, or acquired in connection with, the terms of any Equity Incentive Plan.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor Federal statute then in force, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect from time to time.

"**Excluded Securities**" has the meaning given such term in Section 3.2.

"**Form S-4**" or "**Form S-8**" means Form S-4 or Form S-8, as appropriate, under the Securities Act or any successor forms thereto.

"**Governmental Authority**" means any domestic or foreign government or political subdivision thereof, whether on a Federal, state or local level and whether executive, legislative or judicial in nature, including any agency, authority, board, bureau, commission, court, department or other instrumentality thereof.

"**HSR Act**" has the meaning given such term in Section 2.7.

"**Information**" has the meaning given such term in Section 6.4(i).

"**Initial Public Offering**" means the first underwritten Public Offering of Common Stock for the account of the Company pursuant to a Registration Statement.

"**Initial Subscribing Stockholder**" has the meaning given such term in Section 3.1(d).

"**Inspectors**" has the meaning given such term in Section 6.4(i).

"**Joinder Agreement**" has the meaning given such term in Section 1.1(b).

"**Largest Stockholder**" means, as of any particular time, the Principal Stockholder that, together with its Affiliates, has the greatest Percentage Ownership.

"**Majority Vote Director**" has the meaning given such term in Section 4.1(a)(iv).

"**Management Stockholders**" means each employee of the Company or its Subsidiaries who owns Shares (including any other employee of the Company or its Subsidiaries who hereafter becomes a party to this Agreement), whether acquired through the Equity Incentive Plan or otherwise, in each case, only for so long as such Person owns Shares. Any Person who is a "Management Stockholder" shall continue to be a Management Stockholder following such Person's termination of employment with the Company or its Subsidiaries if such Person continues to own Shares following such termination of employment.

"**New Investor**" has the meaning given such term in Section 3.1(c).

"**Offer**" has the meaning given such term in Section 2.3(a).

"**Offered Securities**" has the meaning given such term in Section 3.1(a).

"**Other Shares**" means, at any time, those shares of Common Stock which do not constitute Registrable Shares or Primary Shares.

"**Other Stockholder**" means (a) for purposes of Section 2.4, each Stockholder other than the Transferring Principal Stockholder and (b) for purposes of Section 2.5, each Stockholder other than the Drag Along Stockholders.

"**Percentage Ownership**" means, with respect to any Stockholder, the fraction, expressed as a percentage, the numerator of which is the total number of shares of Common Stock held by such Stockholder and the denominator of which is the total number of shares of

Common Stock issued and outstanding at the time of determination held by all Stockholders (excluding, from each of the numerator and the denominator above, any options, warrants, convertible debt obligations or similar Securities).

"**Permitted Transfer**" means any Transfer of Shares to any Person in compliance with Article II and all applicable securities laws.

"**Person**" shall be construed as broadly as possible and shall include an individual person, a partnership (including a limited liability partnership), a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and a Governmental Authority.

"**Plan of Reorganization**" has the meaning given such term in the recitals.

"**Preemptive Offer Acceptance Notice**" has the meaning given such term in Section 3.1(b).

"**Preemptive Offer Notice**" has the meaning given such term in Section 3.1(a).

"**Preemptive Offer Period**" has the meaning given such term in Section 3.1(a).

"**Primary Shares**" means, at any time, the authorized but unissued shares of Common Stock or shares of Common Stock held in the treasury of the Company.

"**Principal Stockholder**" means any Stockholder who, together with its Affiliates, has a Percentage Ownership of at least 4%.

"**Prospectus**" means the prospectus included in any Registration Statement, including any amendment or prospectus subject to completion, and any such prospectus as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Shares and, in each case, by all other amendments and supplements to such prospectus, including post-effective amendments, and in each case including all material incorporated by reference therein.

"**Public Offering**" means the closing of a public offering of Common Stock pursuant to a Registration Statement declared effective under the Securities Act, except that a Public Offering shall not include an offering of Securities to be issued as consideration in connection with a business acquisition or an offering of Securities issuable pursuant to an employee benefit plan.

"**Records**" has the meaning given such term in Section 6.4(i).

"**Refused Securities**" has the meaning given such term in Section 3.1(c).

"**Registrable Shares**" means at any time, and with respect to any Stockholder, the shares of Common Stock held by, or issuable to, such Stockholder. As to any particular Registrable Shares, once issued, such Registrable Shares shall cease to be Registrable Shares (a) when an offering of such Registrable Shares has been registered under the Securities Act, the

Registration Statement in connection therewith has been declared effective and such Registrable Shares have been disposed of pursuant to and in the manner described in such effective Registration Statement or (b) when such Registrable Shares have ceased to be outstanding.

"**Registration Date**" means the date upon which the Registration Statement filed by the Company to effect its Initial Public Offering shall have been declared effective by the Commission.

"**Registration Expenses**" has the meaning given such term in Section 6.5.

"**Registration Statement**" means any registration statement of the Company that covers an offering of shares of Common Stock, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"**Representative**" means with respect to a particular Person, any director, officer, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.

"**ROFR Acceptance Notice**" has the meaning given such term in Section 2.3(b).

"**ROFR Notice**" has the meaning given such term in Section 2.3(b).

"**Rule 144**" means Rule 144 promulgated under the Securities Act or any successor rule thereto.

"**Second Largest Stockholder**" means, as of any particular time, the Principal Stockholder that, together with its Affiliates, has the second greatest Percentage Ownership.

"**Securities**" means "securities" as defined in Section 2(1) of the Securities Act and includes, with respect to any Person, such Person's capital stock or other equity interests or any options, warrants or other securities that are directly or indirectly convertible into, or exercisable or exchangeable for, such Person's capital stock.

"**Securities Act**" means the Securities Act of 1933, as amended, or any successor Federal statute, and the rules and regulations of the Commission promulgated thereunder, all as the same shall be in effect from time to time.

"**Selling Stockholder**" has the meaning given such term in Section 2.3(a).

"**Shares**" means (a) any equity Securities of the Company (including the Common Stock) purchased or otherwise acquired by any Stockholder prior to, on or after the date hereof and (b) any Securities issued or issuable directly or indirectly with respect to the Securities referred to in clause (a) above by way of conversion, exercise or exchange, stock dividend or stock split or in connection with a combination of shares, recapitalization, reclassification, merger, consolidation or other reorganization.

"**Stockholders**" means (a) the Persons (other than the Company) who are signatories hereto, (b) each Person who receives Shares pursuant to the Plan of Reorganization and each Person who purchases Shares in the Private Placement (as defined in the Plan of Reorganization) and (c) each other Person who hereafter acquires Shares, in each case, only for so long as such Person owns Shares.

"**Stockholders' Counsel**" has the meaning given such term in Section 6.4(b).

"**Subsidiary**" means, at any time, with respect to any Person (the "**Subject Person**"), any other Person of which either (a) 50.0% or more of the Securities or other interests entitled to vote in the election of directors or comparable governance bodies performing similar functions or (b) 50.0% or more of an interest in the profits or capital of such Person, in each case, are at the time owned or Controlled directly or indirectly by the Subject Person or through one or more Subsidiaries of the Subject Person.

"**Tag Along Notice**" has the meaning given such term in Section 2.4(b).

"**Transfer**" of Securities shall be construed broadly and shall include any direct or indirect issuance, sale, assignment, trade, transfer, participation, gift, bequest, distribution or other disposition thereof, or any pledge or hypothecation thereof, placement of a lien thereon or grant of a security interest therein or other encumbrance thereon, in each case whether voluntary or involuntary, by operation of law, merger, recapitalization, consolidation or otherwise. Notwithstanding anything to the contrary contained herein, Transfer shall not include the sale or transfer of Shares by any Stockholder to the Company or pursuant to any employment, option, subscription or restricted stock purchase agreement between the Company and such Stockholder or any plan relating to the foregoing.

"**Transferee**" means a Person acquiring or intending to acquire Shares through a Transfer.

"**Transferor**" means a Stockholder Transferring or intending to Transfer Shares.

"**Transferring Principal Stockholder**" has the meaning given such term in Section 2.4(a).

1.3 Rules of Construction. The use in this Agreement of the term "including" means "including, without limitation." The words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole, including the schedules and exhibits, as the same may from time to time be amended, modified, supplemented or restated, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Agreement. All references to sections, schedules and exhibits mean the sections of this Agreement and the schedules and exhibits attached to this Agreement, except where otherwise stated. The title of and the section and paragraph headings in this Agreement are for convenience of reference only and shall not govern or affect the interpretation of any of the terms or provisions of this Agreement. The use herein of the masculine, feminine or neuter forms shall also denote the other forms, as in each case the context may require. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it

relates. The language used in this Agreement has been chosen by the parties to express their mutual intent, and no rule of strict construction shall be applied against any party.

ARTICLE II
TRANSFER OF SECURITIES

2.1 Transfer Restrictions Generally.

(a) The provisions in this Article II shall apply to all Shares now owned by any Stockholder or hereafter acquired by any Stockholder, including Shares acquired by reason of original issuance, dividend, distribution, exchange, conversion and acquisition of outstanding Shares from another Person, and such provisions shall apply to any Shares obtained by a Stockholder upon the exercise, exchange or conversion of any option, warrant or other derivative Security (including Equity Incentive Shares).

(b) No Stockholder shall Transfer any Shares unless such Transfer is a Permitted Transfer.

(c) Notwithstanding any other provision in this Article II, the Company may in its sole discretion limit or deny any Transfer of Shares if, upon the closing of such Transfer, the record number of Stockholders of the Company would exceed 450, in order to prevent any registration or reporting requirements of the Company under the Exchange Act (or such other number as necessary to avoid the Company becoming obligated to register the Common Stock or become a reporting company pursuant to the Exchange Act).

(d) Unless otherwise approved by the Board, the Shares shall not be listed or quoted on any exchange, quotation or trading system, and neither the Company nor any Stockholder shall seek, or cooperate with any Person in seeking, to have the Shares so listed or quoted.

2.2 Designated Trading Desks. A Transfer of Shares may only be effected through a Designated Trading Desk unless such Transfer is (a) to an Affiliate of the Transferring Stockholder, (b) approved by the Board, (c) made pursuant to a Drag Along Sale or (d) among Stockholders. The Company shall promptly provide any Stockholder, upon request, with a current list of, and contact information for, each Designated Trading Desk.

2.3 Right of First Refusal.

(a) If at any time a Stockholder (a "**Selling Stockholder**") proposes to Transfer any or all of its Shares to any Person (other than to an Affiliate of such Stockholder) and such Selling Stockholder receives a bona fide offer to purchase such Shares on terms the Selling Stockholder desires to accept (an "**Offer**"), the Selling Stockholder shall promptly provide written notice to the Company and each Principal Stockholder of the Offer, including the price and number of Shares subject to such Offer, the other material terms and conditions of the Offer and the identity of the purchaser (which information shall be kept confidential by the Company and the Principal Stockholders in accordance with Section 7.2 unless otherwise agreed by the Selling Stockholder) (the "**ROFR Notice**"), which ROFR Notice shall constitute a binding offer by the Selling Stockholder to sell to each Principal Stockholder the Shares subject to such

ROFR Notice in accordance with this Section 2.3. This Section 2.3 shall not apply to any Transfer pursuant to a Drag Along Sale.

(b) Each Principal Stockholder shall have the irrevocable and non-Transferable (other than to an any Affiliate of such Principal Stockholder) option, exercisable at any time prior to 5:00 p.m., New York City time, on the third (3rd) Business Day after receipt of the ROFR Notice by such Principal Stockholder by delivery of a written notice to the Selling Stockholder and the Company (such notice, the "**ROFR Acceptance Notice**"), to elect to purchase from the Selling Stockholder (i) up to its Percentage Ownership (excluding for the purposes of this calculation Shares held by the Selling Stockholder and each Stockholder who is not a Principal Stockholder) of the total number of Shares subject to the ROFR Notice and (ii) its *pro rata* portion (based on the number of Shares held by each Principal Stockholder electing to purchase additional Shares who delivered a ROFR Acceptance Notice) of the Shares subject to the ROFR Notice that are not elected to be purchased by other Principal Stockholders (as further described below), in each case, on the same terms and conditions set forth in the ROFR Notice. The Company shall notify each Principal Stockholder promptly following the deadline for submission of ROFR Acceptance Notices of the number of Shares allocated for purchase by such Principal Stockholder, and the purchase and sale of such Shares shall occur no later than 5:00 p.m., New York City time, on the fifteenth (15th) Business Day after delivery of such notice; provided, however, that such time and date shall be tolled until any necessary approvals of such purchase and sale by any applicable Governmental Authorities are received, including the expiration or early termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "**HSR Act**"). The Company, the Selling Stockholder and each Principal Stockholder who timely delivers a ROFR Acceptance Notice shall (at the sole expense of the Person taking such action) promptly make any and all filings and notifications as may be required under the HSR Act or such other applicable laws to obtain such necessary approvals and shall cooperate with one another in obtaining such necessary approvals. The Selling Stockholder shall use reasonable efforts to take all actions reasonably necessary in connection with the consummation of the sale of the Shares subject to the Offer to the Principal Stockholders who timely deliver ROFR Acceptance Notices pursuant to this Section 2.3(b).

(c) If ROFR Acceptance Notices are not timely delivered by the Principal Stockholders for all of the Shares subject to the ROFR Notice, the Selling Stockholder may Transfer such Shares pursuant to the Offer (subject to compliance with Section 2.4), provided such Transfer is completed within one year after the date of the ROFR Notice. If such Transfer is not completed within one year after the date of the ROFR Notice, such Shares may not be Transferred unless the procedures of this Section 2.3 are repeated.

(d) Solely for purposes of this Section 2.3, each Principal Stockholder shall maintain with the Company the names, e-mail addresses and fax numbers of Representatives of such Principal Stockholder who are designated for the receipt of notices, including ROFR Notices and ROFR Acceptance Notices contemplated by this Section 2.3. The Company shall have no obligation to deliver any notices to a Principal Stockholder that has failed to provide such notice information to the Company.

(e) Each Stockholder acknowledges, with respect to any purchase or sale of Shares pursuant to this Section 2.3 to or from any Principal Stockholder (or any of its Affiliates) that is entitled to designate one or more members of the Board pursuant to Section 4.1 (other than the Majority Vote Director) (the "**Counterparty**") that:

(i) no Counterparty has made any representation or warranty, express or implied, regarding the Company in connection with such purchase or sale transaction;

(ii) a Counterparty may have, or may come into possession of, information with respect to the Shares, the Company or the Company's Affiliates that may constitute material non-public information or information that is not known to such Stockholder and that may be material to a decision to the purchase or sale of Shares (collectively, "**Counterparty Excluded Information**"), and that such Counterparty may not be at liberty to disclose such information;

(iii) a Counterparty shall have no liability to any Stockholder with respect to the nondisclosure of Counterparty Excluded Information;

(iv) such Stockholder irrevocably and unconditionally waives and releases the Counterparty, its Affiliates and the Company from all claims (whether for damages, rescission or any other relief), that it might have against the Counterparty or the Company, whether under applicable securities laws or otherwise, with respect to the nondisclosure of Counterparty Excluded Information in connection with such purchase or sale transaction, and such Stockholder has agreed not to solicit or encourage, directly or indirectly, any other person to assert such a claim; and

(v) such Stockholder further confirms that it understands the significance of the foregoing waiver.

2.4 Tag Along Rights.

(a) Subject to Section 2.3, if at any time a Principal Stockholder or any Affiliate of a Principal Stockholder (whether one or more, the "**Transferring Principal Stockholder**") proposes to Transfer to any Person other than the Company, another Stockholder (including a Transfer of Shares to one or more Principal Stockholders pursuant to Section 2.3) or an Affiliate of such Transferring Principal Stockholder, in a single transaction or series of related transactions, a number of shares of Common Stock in excess of the greater of (i) 7% of the outstanding shares of Common Stock and (ii) 50% of the shares of Common Stock held by such Transferring Principal Stockholder and its Affiliates, then at least twenty (20) Business Days prior to the closing of such Transfer, the Transferring Principal Stockholder shall deliver a written notice (the "**Co-Sale Notice**") to all Other Stockholders offering such Other Stockholders the option to participate in such proposed Transfer by Transferring the same Percentage Ownership of Common Stock held by each such Other Stockholder as the Percentage Ownership of Common Stock proposed to be sold by the Transferring Principal Stockholder. Such Co-Sale Notice shall specify in reasonable detail the identity of the prospective Transferee, the terms and conditions of the proposed Transfer and the amount of Common Stock proposed to be Transferred (which information shall be kept confidential by the Company and the Other

Stockholders in accordance with Section 7.2 unless otherwise agreed by the Transferring Principal Stockholder). To the extent any Principal Stockholder exercises its rights pursuant to Section 2.3, the Transferring Principal Stockholder shall first satisfy the provisions of Section 2.3 prior to delivering a Co-Sale Notice pursuant to this Section 2.4.

(b) Any Other Stockholder shall, within five (5) Business Days of the receipt by such Other Stockholder of a Co-Sale Notice, have the right to deliver written notice (each, a "**Tag Along Notice**") to the Transferring Principal Stockholder stating that such Other Stockholder elects to participate in such proposed Transfer by Transferring a number of shares of Common Stock up to its Percentage Ownership of Common Stock proposed to be sold by the Transferring Principal Stockholder (the "**Co-Sale Shares**").

(c) If no Other Stockholder delivers to the Transferring Principal Stockholder a timely Tag Along Notice with respect to the Transfer proposed in the Co-Sale Notice, the Transferring Principal Stockholder may thereafter Transfer the shares of Common Stock specified in the Co-Sale Notice on the terms and conditions set forth therein. If one or more Other Stockholders delivers to the Transferring Principal Stockholder a timely Tag Along Notice, then the Transferring Principal Stockholder shall use reasonable efforts to cause the prospective Transferee(s) to agree to acquire all shares of Common Stock identified in all Tag Along Notices that are timely delivered to the Transferring Principal Stockholder in accordance with the terms of this Section 2.4, upon the same terms and conditions as applicable to the Transferring Principal Stockholder's shares of Common Stock. If the prospective Transferee(s) are unwilling or unable to acquire all shares of Common Stock proposed to be included in such sale upon such terms, then the Transferring Principal Stockholder may elect either to cancel such proposed Transfer or to allocate the maximum number of shares of Common Stock that each prospective Transferee is willing to purchase among the Transferring Principal Stockholder and the Other Stockholders delivering timely Tag Along Notices in proportion to each such Stockholders' applicable Percentage Ownership (excluding for the purposes of such calculation the shares of Common Stock held any Other Stockholder that has not timely delivered a Tag Along Notice).

(d) Each participating Other Stockholder, in exercising its right of co-sale hereunder, may only participate in the Transfer by delivering to the Transferring Principal Stockholder at the closing of the Transfer of the Co-Sale Shares such reasonable documentation as is necessary to convey to the applicable Transferee(s) the Co-Sale Shares to be Transferred by such participating Other Stockholder, in form and substance reasonably satisfactory to such Transferee(s). At such closing, the Transferee(s) shall remit directly to each participating Other Stockholder**,** by wire transfer if available and if requested by such participating Other Stockholder, the consideration for such participating Other Stockholder's Co-Sale Shares sold pursuant thereto. Any non-cash consideration, if any, shall be paid in the same manner and at the same time as such non-cash consideration is paid to the Transferring Principal Stockholder. In connection with the transaction contemplated by this Section 2.4, each participating Other Stockholder shall (i) execute reasonable transfer documentation, (ii) agree to make the same representations regarding due execution, authorization and delivery of transfer documentation, no conflicts and title to its shares of Common Stock as the Transferring Principal Stockholder so long as they are made severally and not jointly, (iii) agree to make the same indemnitees as the Transferring Principal Stockholder so long as they are made severally and not jointly and the

Liabilities thereunder do not exceed such participating Other Stockholder's proceeds from the Transfer, and (v) pay its own expenses and its *pro rata* share (based on the consideration to be received by the Transferring Principal Stockholder and each participating Other Stockholder), of the reasonable expenses, if any, incurred by the Company and the Transferring Principal Stockholder in connection with such co-sale, not to exceed such participating Other Stockholder's proceeds from the sale.

(e) Notwithstanding anything in this Section 2.4 to the contrary, this Section 2.4 shall not apply to any Drag Along Sale that is consummated pursuant to Section 2.5.

2.5 Drag Along Sale.

(a) If one or more Stockholders (i) who collectively (together with their respective Affiliates) have a Percentage Ownership of at least 50.1% and (ii) who include Alden (so long as Alden and its Affiliates have a Percentage Ownership of at least 15%) and Avenue (so long as Avenue and its Affiliates have a Percentage Ownership of at least 15%) (such Stockholders, the "**Drag Along Stockholders**") propose to Transfer at least 50.1% of the outstanding shares of Common Stock to any Person other than to a Drag-Along Stockholder or an Affiliate of a Drag Along Stockholder (a "**Drag Along Sale**"), the Drag Along Stockholders shall have the right, at their option, to require the Other Stockholders to join in such Drag Along Sale by Transferring the same Percentage Ownership of Common Stock as the Percentage Ownership of Common Stock proposed to be sold by the Drag Along Stockholders. In connection with the Drag Along Sale, each Other Stockholder shall (i) consent and raise no objections to (and, in any stockholder vote required with the respect to such Drag Along Sale, shall affirmatively vote all of its Shares in favor of) the Drag Along Sale, (ii) if the Drag Along Sale is structured as a sale of the issued and outstanding equity Securities of the Company (whether by merger, recapitalization, consolidation or Transfer of Shares or other Securities or otherwise), then each Other Stockholder shall waive any dissenters rights, appraisal rights or similar rights in connection with such Drag Along Sale (if applicable), (iii) take all actions reasonably necessary in connection with the consummation of the Drag Along Sale, (iv) provide reasonable and customary representations regarding due execution, authorization and delivery of transfer documentation, no conflicts and title to its shares of Common Stock so long as they are made severally and not jointly, and to provide reasonable and customary indemnity for (A) breaches of such stockholder's representations and warranties regarding title to shares and due authorization and (B) material breaches of such Stockholder's other representations and warranties, in the case of clause (B), that is borne on a *pro rata* basis based on the consideration to be received by such Other Stockholder and all the Stockholders, and in each case not to exceed such Other Stockholder's proceeds from the Transfer, (v) sell such Other Stockholder's shares of Common Stock on the same terms and conditions, and for the same amount and type of consideration, as the Drag Along Stockholders and (vi) pay its *pro rata* amount of expenses, if any, incurred in connection with such Drag Along Sale to the extent such expenses are incurred for the benefit of all Stockholders and are not otherwise paid by the Company or the acquiring party (expenses incurred by or on behalf of an Other Stockholder for its sole benefit not being considered expenses incurred for the benefit of all Stockholders), not to exceed its proceeds from the Drag Along Sale. In the event that any Other Stockholder fails for any reason to take any of the actions in this Section 2.5 after reasonable notice thereof, such Other Stockholder hereby grants an irrevocable power of attorney and proxy to the Drag Along Stockholders to take all

actions reasonably necessary and execute and deliver all documents deemed necessary by such Person to effectuate the terms of this Section 2.5. Notwithstanding anything to the contrary contained herein, Sections 2.1, 2.3 and 2.4 and Articles III and V shall not apply in connection with a Drag Along Sale that is consummated pursuant to this Section 2.5 following the Drag Along Stockholders' delivery of a Drag Along Sale Notice.

(b) The Drag Along Stockholders shall deliver written notice to each Other Stockholder setting forth in reasonable detail the terms (including price, time and form of payment) of any Drag Along Sale (the "**Drag Along Sale Notice**") at least twenty (20) Business Days prior to the consummation of such Drag Along Sale. The Drag Along Notice shall be accompanied by a written offer from the proposed Transferee to purchase the Common Stock of the Drag Along Stockholders and the Other Stockholders.

(c) At least ten (10) Business Days prior to the anticipated consummation of the Drag Along Sale, each Other Stockholder shall deliver to the Company to hold in escrow for release at closing subject to the transfer of the consideration in respect thereof and the consummation of the Drag Along Sale in accordance with its agreed terms and conditions (i) such agreements as are necessary (in form and substance reasonably satisfactory to the Drag Along Stockholders) setting forth such Other Stockholder's agreement to consent and raise no objections or impediments to, the Drag Along Sale (including, waiving all dissenter's and similar rights, if applicable), (ii) such documents as are necessary to convey to the applicable purchaser the shares of Common Stock to be Transferred by such Other Stockholder, in form and substance reasonably satisfactory to such purchaser, and (iii) a limited power-of-attorney authorizing the Company to take all actions necessary to Transfer such securities in such Drag Along Sale, in each case consistent with Section 2.5(a).

2.6 Certain Affiliate Transactions. No Stockholder shall intentionally avoid its obligation under this Agreement by making one or more Transfers of Shares to its Affiliate and then disposing of all or any portion of such Stockholders' interest in any such Affiliate (or a direct or indirect parent thereof).

ARTICLE III
PREEMPTIVE RIGHTS

3.1 General.

(a) In the event that the Company proposes to issue any equity Securities (the "**Offered Securities**"), other than Excluded Securities, the Company shall deliver to each Eligible Stockholder written notice (which notice shall state the number or amount of the Offered Securities proposed to be issued, the purchase price therefor and any other material terms or conditions of the proposed issuance, including any linked or grouped Securities which comprise Offered Securities) of such issuance (the "**Preemptive Offer Notice**") at least ten (10) Business Days prior to the date of the proposed issuance (the "**Preemptive Offer Period**").

(b) Each Eligible Stockholder shall have the option, exercisable at any time during the Preemptive Offer Period by delivering written notice to the Company (a "**Preemptive Offer Acceptance Notice**"), (i) to subscribe for the number or amount of such Offered Securities

up to its Percentage Ownership (excluding for the purposes of this calculation Shares held by Stockholders who are not Eligible Stockholders) of the total number or amount of Offered Securities proposed to be issued and (ii) to offer to subscribe for up to its Percentage Ownership (excluding for the purposes of this calculation Shares held by Stockholders who are not Eligible Stockholders) of the Offered Securities not subscribed for by other Eligible Stockholders (as further described below). Any Offered Securities not subscribed for by an Eligible Stockholder shall be deemed to be re-offered to and accepted by the Eligible Stockholders exercising their options specified in clause (ii) of the immediately preceding sentence with respect to the lesser of (x) the amount specified in their respective Preemptive Offer Acceptance Notices and (y) an amount equal to their respective Percentage Ownership (excluding for the purposes of this calculation Shares held by Stockholders who are not Eligible Stockholders and those held by Eligible Stockholders who have not exercised their option specified in clause (ii) of the immediately preceding sentence) with respect to such deemed re-offer. Such deemed re-offer and acceptance procedures described in the immediately preceding sentence shall be deemed to be repeated until either (A) all of the Offered Securities are accepted by the Eligible Stockholders or (B) no Eligible Stockholders desire to subscribe for more Offered Securities. The Company shall notify each Eligible Stockholder within five (5) Business Days following the expiration of the Preemptive Offer Period of the number or amount of Offered Securities which such Eligible Stockholder has subscribed to purchase.

(c) If Preemptive Offer Acceptance Notices are not timely delivered by the Eligible Stockholders for all the Offered Securities, the Company may issue the part of such Offered Securities as to which Preemptive Offer Acceptances Notices have not been given by the Eligible Stockholders (the "**Refused Securities**") to any Person (a "**New Investor**") in accordance with the terms and conditions set forth in the Preemptive Offer Notice. Any Refused Securities not purchased by one or more New Investors in accordance with this Section 3.1 within forty (40) days after the date of the Preemptive Offer Notice may not be sold or otherwise disposed of until they are again offered to the Eligible Stockholders under the procedures specified in this Section 3.1.

(d) Notwithstanding anything to the contrary contained herein, the Company may, in order to expedite the issuance of the Offered Securities hereunder, issue all or a portion of the Offered Securities to one or more Persons (each, an "**Initial Subscribing Stockholder**"), without complying with the provisions of Section 3.1, provided that, prior to such issuance, each Initial Subscribing Stockholder agrees to offer to sell to each Eligible Stockholder such Eligible Stockholder's Percentage Ownership (excluding for the purposes of this calculation Shares held by Stockholders who are not Eligible Stockholders) of such Offered Securities on the same terms and conditions as issued to the Initial Subscribing Stockholders and in a manner which provides such Eligible Stockholder with rights substantially similar to the rights outlined in Sections 3.1(b) and 3.1(c). The Initial Subscribing Stockholder shall offer to sell such Offered Securities to each Other Eligible Stockholder within five (5) days after the closing of the purchase of the Offered Securities by the Initial Subscribing Stockholders.

3.2 Excluded Securities. The rights of the Eligible Stockholders under Section 3.1 shall not apply to the following Securities issued by the Company at any time (the "**Excluded Securities**"):

(a) Securities issued pursuant to the Equity Incentive Plan;

(b) Securities issued as a stock dividend or distribution or upon any stock split, recapitalization or other subdivision or combination of securities;

(c) Securities issued upon the exercise, conversion or exchange of any options, warrants or any other derivative securities of the Company issued in compliance with (or not otherwise in violation of) the provisions of this Agreement;

(d) Securities issued in connection with a Public Offering; and

(e) Securities issued in connection with (i) the acquisition (whether by stock sale, merger, recapitalization, asset purchase or otherwise) of another Person (or portion thereof), or a joint venture or strategic alliance with another Person, in each case where the purpose of such issuance is not to raise capital; provided, that such securities are not issued for cash to fund such acquisition, joint venture or alliance, and provided further, that any Common Stock issued or issuable in connection with any transaction contemplated by this clause that is attributable to capital raising for the Company or its Subsidiaries (other than nominal amounts of capital) shall not be deemed to be Excluded Securities and (ii) any Securities offered in connection with a Drag Along Sale pursuant to Section 2.5.

ARTICLE IV
BOARD OF DIRECTORS

4.1 Election of Directors; Voting.

(a) From and after the date hereof each Stockholder hereby covenants and agrees to vote all of its Shares to cause the number of directors constituting the Board to be seven (7). At each annual meeting of the holders of any class of Shares, and at each special meeting of the holders of any class of Shares called for the purpose of electing directors of the Company, and at any time at which holders of any class of Shares shall have the right to vote for or consent in writing to the election of directors of the Company, then, and in each such event, each Stockholder shall vote all of the Shares owned by it for, or consent in writing with respect to such shares in favor of, the election of a Board constituted as follows:

(i) two individuals designated by the Largest Stockholder;

(ii) two individuals designated by the Second Largest Stockholder;

(iii) one individual designated by the Largest Stockholder, subject to approval of the Second Largest Stockholder, which individual will serve as the chairman of the Board;

(iv) one individual designated by a majority vote of the Shares held by all Principal Stockholders (excluding the Largest Stockholder and Second Largest Stockholder) (the "**Majority Vote Director**"); and

(v) the individual holding the office of Chief Executive Officer of the Company from time to time (the "**CEO Director**").

(b) The Stockholder or group of Stockholders having the right pursuant to Section 4.1(a) to designate a member of the Board shall have the exclusive right to remove and appoint their respective representatives to the Board as well as the exclusive right to fill vacancies created by reason of death, disability, removal or resignation of their respective representatives to the Board. The Stockholders shall vote their shares (i) to remove any director whose removal is requested by the Stockholder or group of Stockholders having the right pursuant to the preceding sentence to remove such director and (ii) to promptly fill any vacancy created by the death, disability, removal, or resignation of a director, in each case for the election of a new director designated by the Stockholder or group of Stockholders having the right pursuant to the preceding sentence to fill such vacancy. The Company and the Stockholders shall fill any vacancies of the Board, in accordance with this Section 4.1, as soon as practicable following the date such vacancy is created.

(c) In the event any Principal Stockholder, together with its Affiliates, Transfers a number of Shares that causes its Percentage Ownership to fall below the threshold required to satisfy the definition of Largest Stockholder or Second Largest Stockholder, as the case may be, the Company shall promptly provide written notice to such Stockholder of this occurrence, and promptly upon receipt of such written notice, such Stockholder shall use all reasonable efforts to cause the individual(s) it designated to serve on the Board to resign from the Board as promptly as possible thereafter; provided, however, that if such Principal Stockholder, together with its Affiliates, is the Second Largest Stockholder after giving effect to such Transfer, one of the individuals that such Principal Stockholder designated to serve on the Board shall remain on the Board.

(d) Any designation or removal of the Majority Vote Director and any amendment of this Section 4.1 removing the right to designate such Majority Vote Director shall be made (i) by the affirmative vote of a majority of the Shares held by all Principal Stockholders (excluding the Largest Stockholder and Second Largest Stockholder) at an annual or special meeting of the Stockholders duly called in accordance with the By-laws or at a special meeting of Principal Stockholders duly called by one or more Principal Stockholders holding at least 25% of the Shares held by all Principal Stockholders (excluding the Largest Stockholder and Second Largest Stockholder) or (ii) by written consent in lieu of meeting of a majority of the Shares held by all Principal Stockholders (excluding the Largest Stockholder and Second Largest Stockholder), provided a copy of such written consent is furnished to the Company and each Principal Stockholder promptly following the taking of such action.

4.2 Committees of the Board. Each committee of the Board (other than any independent committees) shall be comprised of members who are approved by at least one director designated by the Largest Stockholder, at least one director designated by the Second Largest Stockholder and the Majority Vote Director.

4.3 Supermajority Voting. All decisions of the Board must be approved by at least five (5) directors unless less than five (5) directors are then serving on the Board, in which case all decisions of the Board must be approved by all of the directors.

4.4 Board Compensation.

(a) The Company shall pay all costs and expenses (including travel and related expenses) incurred by each of the members of the Board in connection with (i) attending the meetings of the Board and all committees thereof and (ii) conducting any other Company business requested by the Company.

(b) Members of the Board shall, if approved by the Board, receive reasonable and customary compensation for their service on the Board and any committee thereof, consistent with the Company's past practices; provided, however, that no employee of a Principal Stockholder or any Affiliate of a Principal Stockholder who serves on the Board shall receive any cash or equity compensation from the Company or its Subsidiaries for their service on the Board or any committee thereof.

4.5 Further Assurances. If requested by any Stockholder having the right to designate a Director pursuant to Section 4.1(a)(i) or 4.1(a)(ii) or by Principal Stockholders holding a majority of the Shares held by all Principal Stockholders (other than the Largest Stockholder and Second Largest Stockholder), the Company and each Stockholder shall take all reasonable actions to ensure that at all times the board of directors, board of managers and all committees thereof of each Subsidiary of the Company shall have the same composition as the Board and committees thereof, as applicable, set forth in Section 4.1.

ARTICLE V
LIMITATION ON TRANSACTIONS WITH AFFILIATES

5.1 Affiliate Transactions. Any transaction (other than the issuance of Excluded Securities under Sections 3.2(a), 3.2(b), 3.2(c) and 3.2(d)) or the issuance of Securities subject to the provisions of Section 3.1) between the Company or any of its Subsidiaries, on the one hand, and any Principal Stockholder or any Affiliate of a Principal Stockholder, on the other hand, may not be consummated unless, in addition to the supermajority voting requirements of Section 4.3, either (a) such transaction is approved by all the members of the Board who are not designees of such Principal Stockholder or (b) an Acceptable Investment Bank issues (at the expense of the Company) a written opinion to the Board that such transaction is fair, from a financial point of view, to the Company; provided, that this Section 5.1 shall not apply to transactions consummated, or agreements between the Company (or any of its Subsidiaries) and any Principal Stockholder that have been validly entered into, prior to or contemporaneously with this Agreement. For purposes of satisfying the supermajority voting requirements of Section 4.3 with respect to a transaction that is subject to this Section 5.1, the members of the Board who are designees of the Principal Stockholder who is (or whose Affiliate is) party to such transaction shall not be recused or excluded from voting in respect of the transaction.

5.2 Management Fees. Neither any Principal Stockholder nor any Affiliate of a Principal Stockholder shall receive any management fees from the Company or any of its Subsidiaries.

ARTICLE VI
REGISTRATION RIGHTS

6.1 Required Registration.

(a) Except as limited by Sections 6.1(b) and 6.1(e), if, at any time after an Initial Public Offering, the Company shall be requested in writing by any Eligible Demand Stockholder to effect the registration under the Securities Act of an offering of Registrable Shares held by such Eligible Demand Stockholder (a "**Demand Registration Request**"), then the Company shall promptly give written notice to all Eligible Demand Stockholders of its intention to register the Registrable Shares subject to the Demand Registration Request and, upon the written request of any Eligible Demand Stockholder (given within ten (10) Business Days after delivery of any such notice to each Eligible Demand Stockholder by the Company) to include in such registration any of its Registrable Shares (which request shall specify the number of Registrable Shares proposed to be included in such registration), the Company shall, subject to the provisions of this Section 6.1, promptly use its best efforts to effect a registration under the Securities Act of an offering of all the Registrable Shares that the Company has been so requested to register for sale in accordance with this Section 6.1.

(b) Anything contained in Section 6.1(a) to the contrary notwithstanding, the Company shall not be obligated to use its best efforts to file and cause to become effective any Registration Statement (i) during any period in which any other registration statement (other than on Form S-4 or Form S-8) pursuant to which Primary Shares are to be or were offered and sold has been filed and not withdrawn or has been declared effective within the prior 90 days (180 days in the case of the Initial Public Offering) or (ii) if there exists a material development with respect to or involving the Company or its Subsidiaries that would require disclosure in the Prospectus for such offering, which disclosure, in the reasonable judgment of the Board, would be premature or otherwise inadvisable at such time and would reasonably be expected to be materially prejudicial to the Company or its Subsidiaries; provided, however, that the Company may not exercise its rights in this Section 6.1(b)(ii) more than once in each 12 month period.

(c) With respect to any registration pursuant to Section 6.1(a), the Company may include in such registration any Primary Shares or Other Shares; provided, however, that if the managing underwriter advises the Company that the inclusion of all Registrable Shares, Primary Shares and Other Shares proposed to be included in such registration would adversely affect the successful offering and sale (including pricing) of all such Securities, then the number of Registrable Shares, Primary Shares and Other Shares proposed to be included in such registration shall be included in the following order:

(i) first, the Registrable Shares held by the Eligible Demand Stockholder who made the Demand Registration Request and each other Eligible Demand Stockholder who elects pursuant to Section 6.1(a) to participate in the registration, *pro rata*

based upon the number of Registrable Shares owned by each such Eligible Demand Stockholder at the time of such registration;

(ii) second, the Primary Shares; and

(iii) third, the Other Shares.

(d) If any offering pursuant to a Demand Registration Request involves an underwritten offering, the Company shall select the managing underwriter or underwriters to administer the offering, which managing underwriters shall be a firm of nationally recognized standing.

(e) Each Eligible Demand Stockholder may make one Demand Registration Request per 12-month period; provided that the offering size relating to such Demand Registration Request (including the Registrable Shares of each other Eligible Demand Stockholder who timely elects to participate in such registration) must be at least $15.0 million.

(f) A registration undertaken by the Company pursuant to a Demand Registration Request will not count as a Demand Registration Request for purposes of Section 6.1(e) if (i) the Eligible Demand Stockholder making the Demand Registration Request withdraws the Demand Registration Request and promptly reimburses the Company for all fees, costs and expenses incurred by the Company in connection with such withdrawn Demand Registration Request or (ii) the Company exercises its rights pursuant to Section 6.1(b) in respect of such Demand Registration Request.

6.2 Piggyback Registration. If the Company at any time proposes for any reason to register Primary Shares or Other Shares under the Securities Act (other than on Form S-4 or Form S-8), it shall promptly give written notice to each Eligible Piggyback Stockholder of its intention to register the Primary Shares or Other Shares and, upon the written request of any such Eligible Piggyback Stockholder (given within ten (10) Business Days after delivery of any such notice to each Eligible Piggyback Stockholder by the Company) to include in such registration Registrable Shares (which request shall specify the number of Registrable Shares proposed to be included in such registration), the Company shall use its best efforts to cause all such Registrable Shares requested to be included in such registration to be included on the same terms and conditions as the Securities otherwise being sold in such registration; provided, however, that if the managing underwriter advises the Company that the inclusion of all Registrable Shares or Other Shares proposed to be included in such registration would adversely affect the successful offering and sale (including pricing) of Primary Shares proposed to be offered and sold by the Company, then the number of Primary Shares, Registrable Shares and Other Shares proposed to be included in such registration shall be included in the following order:

(i) first, the Primary Shares;

(ii) second, the Registrable Shares (excluding Equity Incentive Shares) owned by the Eligible Piggyback Stockholders requesting that their Registrable Shares be included in such registration pursuant to the terms of this Section 6.2, *pro rata* based upon the number of Registrable Shares (excluding Equity Incentive Shares) owned by each such Eligible Piggyback Stockholder at the time of such registration; provided, however, that the Registrable

Shares held by Management Stockholders shall be further cut back on a pro rata basis if the Board, in consultation with the underwriter, determines in good faith that the participation of such Management Stockholders would adversely affect the marketability or offering price of the other Securities to be sold;

(iii) third, the Equity Incentive Shares owned by the Stockholders; provided, however, that the Registrable Shares held by Management Stockholders shall be further cut back on a pro rata basis if the Board, in consultation with the underwriter, determines in good faith that the participation of such Management Stockholders would adversely affect the marketability or offering price of the other Securities to be sold; and

(iv) fourth, the Other Shares.

6.3 Holdback Agreement. If the Company at any time shall register an offering and sale of shares of Common Stock under the Securities Act in an underwritten offering pursuant to an Initial Public Offering, the Stockholders shall not sell, make any short sale of, grant any option for the purchase of, or otherwise Transfer any Securities of the Company (other than (i) those Registrable Shares included in such registration pursuant to Section 6.1 or 6.2, (ii) a Transfer to an Affiliate or (iii) subject to the consent of the underwriters, a Permitted Transfer) without the prior written consent of the Company for a period as shall be determined by the managing underwriters, which period cannot begin more than seven (7) days prior to the effectiveness of such Registration Statement and cannot last more than one-hundred eighty days after the effective date of such Registration Statement.

6.4 Preparation and Filing. If and whenever the Company is under an obligation pursuant to the provisions of this Agreement to use its best efforts to effect the registration of an offering and sale of any Registrable Shares, the Company shall, as expeditiously as practicable:

(a) use its best efforts to cause a Registration Statement that registers such offering of Registrable Shares to become and remain effective for a period of 180 days or until all of such Registrable Shares have been disposed of (if earlier);

(b) furnish, at least five (5) Business Days before filing a Registration Statement that registers such Registrable Shares, a Prospectus relating thereto and any amendments or supplements relating to such Registration Statement or Prospectus, to one counsel (the "**Stockholders' Counsel**") selected by the Largest Stockholder with approval of the Second Largest Stockholder, copies of all such documents proposed to be filed (it being understood that such five (5) Business Day period need not apply to successive drafts of the same document proposed to be filed so long as such successive drafts are supplied to such counsel in advance of the proposed filing by a period of time that is customary and reasonable under the circumstances), and shall use its reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as the Stockholders whose Registrable Shares are to be covered by such Registration Statement may reasonably propose;

(c) prepare and file with the Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for a period of at least 180 days or until

all of such Registrable Shares have been disposed of (if earlier) and to comply with the provisions of the Securities Act with respect to the offering and sale or other disposition of such Registrable Shares;

(d) notify the Stockholders' Counsel promptly in writing of (i) any comments by the Commission with respect to such Registration Statement or Prospectus, or any request by the Commission for the amending or supplementing thereof or for additional information with respect thereto; (ii) the issuance by the Commission of any stop order suspending the effectiveness of such Registration Statement or Prospectus or any amendment or supplement thereto or the initiation of any proceedings for that purpose; and (iii) the receipt by the Company of any notification with respect to the suspension of the qualification of such Registrable Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purposes;

(e) use its best efforts to register or qualify such Registrable Shares under such other securities or "blue sky" laws of such jurisdictions as any seller of Registrable Shares reasonably requests and do any and all other acts and things that may reasonably be necessary or advisable to enable such seller of Registrable Shares to consummate the disposition in such jurisdictions of the Registrable Shares owned by such seller; provided, however, that the Company will not be required to qualify generally to do business, subject itself to general taxation or consent to general service of process in any jurisdiction where it would not otherwise be required to do so but for this Section 6.4(e);

(f) furnish to each seller of such Registrable Shares such number of copies of a summary Prospectus or other Prospectus, including a preliminary Prospectus, in conformity with the requirements of the Securities Act, and such other documents as such seller of Registrable Shares may reasonably request in order to facilitate the public offering and sale or other disposition of such Registrable Shares;

(g) use its best efforts to cause such offering and sale of Registrable Shares to be registered with or approved by such other Governmental Authority as may be necessary by virtue of the business and operations of the Company to enable the seller or sellers thereof to consummate the disposition of such Registrable Shares;

(h) notify on a timely basis each seller of such Registrable Shares at any time when a Prospectus relating to such Registrable Shares is required to be delivered under the Securities Act within the appropriate period mentioned in Section 6.4(b) of the happening of any event as a result of which the Prospectus included in such Registration Statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing and, at the request of such seller, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such Prospectus as may be necessary so that, as thereafter delivered to the offerees of such shares, such Prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing;

(i) make available for inspection by any seller of such Registrable Shares, any underwriter participating in any disposition pursuant to such Registration Statement and any attorney, accountant or other agent retained by any such seller or underwriter (collectively, the "**Inspectors**"), all pertinent financial, business and other records, pertinent corporate documents and properties of the Company (collectively, the "**Records**"), as shall reasonably be necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors and employees to supply all information (together with the Records, the "**Information**") reasonably requested by any such Inspector in connection with such Registration Statement (and any of the Information that the Company determines in good faith to be confidential, and of which determination the Inspectors are so notified, shall not be disclosed by the Inspectors unless (i) the disclosure of such Information is necessary to avoid or correct a misstatement or omission in the Registration Statement; (ii) the release of such Information is ordered pursuant to a subpoena or other order from a court of competent jurisdiction; (iii) such Information has been made generally available to the public; or (iv) the seller of Registrable Shares agrees that it will, upon learning that disclosure of such Information is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Information deemed confidential);

(j) use its best efforts to obtain from its independent certified public accountants a "cold comfort" letter in customary form and covering such matters of the type customarily covered by cold comfort letters;

(k) use its best efforts to obtain, from its counsel, an opinion or opinions in customary form;

(l) provide a transfer agent and registrar (which may be the same entity and which may be the Company) for such Registrable Shares;

(m) issue to any underwriter to which any seller of Registrable Shares may sell shares in such offering certificates evidencing such Registrable Shares;

(n) list such Registrable Shares on any national securities exchange on which any shares of the Common Stock are listed or, if the Common Stock is not listed on a national securities exchange, use its best efforts to qualify such Registrable Shares for quotation on such national securities exchange as the holders of a majority of such Registrable Shares included in such registration shall request;

(o) otherwise use its best efforts to comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable but not later than eighteen (18) months after the effective date, earnings statements (which need not be audited) covering a period of twelve (12) months beginning within three (3) months after the effective date of the Registration Statement, which earnings statements shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder; and

(p) use its best efforts to take all other steps necessary to effect the registration of such Registrable Shares contemplated hereby.

6.5 Expenses. Except as set forth in Section 6.1(f), all expenses incident to the Company's performance of or compliance with Sections 6.1, 6.2, 6.4 and 6.9, including without limitation (a) all registration and filing fees, and any other fees and expenses associated with filings required to be made with any stock exchange and the Commission; (b) all fees and expenses of compliance with state securities or "blue sky" laws (including fees and disbursements of counsel for the underwriters or Stockholders in connection with "blue sky" qualifications of the Registrable Shares and determination of their eligibility for investment under the laws of such jurisdictions as the managing underwriters may designate); (c) all printing and related messenger and delivery expenses (including expenses of printing certificates for the Registrable Shares in a form eligible for deposit with The Depository Trust Company) and of printing prospectuses, (d) all fees and disbursements of counsel for the Company and of all independent certified public accountants of the issuer (including the expenses of any special audit and "cold comfort" letters required by or incident to such performance); (e) Securities Act liability insurance if the Company so desires or the underwriters so require; (f) all fees and expenses incurred in connection with the listing of the Registrable Shares on any securities exchange and all rating agency fees; (g) all reasonable fees and disbursements of the Stockholders' Counsel to represent such Persons in connection with such registration; (h) all fees and disbursements of underwriters customarily paid by the issuer or sellers of Securities, excluding underwriting discounts and commissions and transfer taxes, if any, and fees and disbursements of counsel to underwriters (other than such fees and disbursements incurred in connection with any registration or qualification of Registrable Shares under the securities or "blue sky" laws of any state); and (i) fees and expenses of other Persons retained by the Company (all such expenses being herein called "**Registration Expenses**"), will be borne by the Company, regardless of whether the Registration Statement becomes effective. In addition, the Company will, in any event, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any audit and the fees and expenses of any Person, including special experts, retained by the Company.

6.6 Indemnification.

(a) In connection with any registration of any offering and sale of Registrable Shares under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless the seller of such Registrable Shares, each underwriter, broker or any other Person acting on behalf of such seller, each other Person, if any, who controls any of the foregoing Persons within the meaning of the Securities Act and each Representative of any of the foregoing Persons, against any losses, claims, damages or liabilities, joint or several, to which any of the foregoing Persons may become subject, whether commenced or threatened, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement under which such Registrable Shares were registered, any preliminary Prospectus or final Prospectus contained therein, any amendment or supplement thereto or any document incident to registration or qualification of any offering and sale of any Registrable Shares, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or, with respect to any Prospectus, necessary to make the statements therein in light of the circumstances under which they were made not misleading, or any

violation by the Company of the Securities Act or state securities or "blue sky" laws applicable to the Company and relating to action or inaction required of the Company in connection with such registration or qualification under such state securities or "blue sky" laws, and the Company shall promptly reimburse such seller, underwriter, broker, controlling Person or Representative for any legal or other expenses incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable to any such Person to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in said Registration Statement, preliminary Prospectus, amendment thereto, or any document incident to registration or qualification of any Registrable Shares in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such Person, or a Person duly acting on their behalf, specifically for use in the preparation thereof.

(b) In connection with any registration of an offering and sale of Registrable Shares under the Securities Act pursuant to this Agreement, each seller of Registrable Shares shall indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 6.6(a)) the Company, each underwriter or broker involved in such offering, each other seller of Registrable Shares under such Registration Statement, each Person who controls any of the foregoing Persons within the meaning of the Securities Act and any Representative of the foregoing Persons with respect to any untrue statement or allegedly untrue statement in or omission or alleged omission from such Registration Statement, any preliminary Prospectus or final Prospectus contained therein, any amendment or supplement thereto or any document incident to registration or qualification of any such offering and sale of Registrable Shares, if such statement or omission was made in reliance upon and in conformity with written information furnished to the Company or such underwriter through an instrument duly executed by such seller or a Person duly acting on such Seller's behalf specifically for use in connection with the preparation of such Registration Statement, preliminary Prospectus, final Prospectus, amendment or supplement; provided, however, that the maximum amount of liability in respect of such indemnification shall be limited, in the case of each seller of Registrable Shares, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Shares effected pursuant to such registration.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action involving a claim referred to in the preceding paragraphs of this Section 6.6, such indemnified party will, if a claim in respect thereof is made against an indemnifying party, give written notice to the latter of the commencement of such action (provided, however, that an indemnified party's failure to give such notice in a timely manner shall only relieve the indemnification obligations of an indemnifying party to the extent such indemnifying party is materially prejudiced by such failure). In case any such action is brought against an indemnified party, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election to assume the defense thereof, the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof; provided, however, that if any indemnified party shall have reasonably concluded that there may be one or

more legal or equitable defenses available to such indemnified party which are in addition to or in conflict with those available to the indemnifying party, or that such claim or litigation involves or could have an effect upon matters beyond the scope of the indemnity agreement provided in this Section 6.6, the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party and such indemnifying party shall reimburse such indemnified party and any Person controlling such indemnified party for that portion of the fees and expenses of any one lead counsel (plus appropriate special and local counsel) retained by the indemnified party that are reasonably related to the matters covered by the indemnity agreement provided in this Section 6.6.

(d) If the indemnification provided for in this Section 6.6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, claim, damage or liability referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amounts paid or payable by such indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, claim, damage or liability as well as any other relevant equitable considerations; provided, however, that the maximum amount of liability in respect of such contribution shall be limited, in the case of each seller of Registrable Shares, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Shares effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No Person guilty of fraud shall be entitled to indemnification or contribution hereunder.

(e) The indemnification and contribution provided for under this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party and will survive the transfer of Registrable Shares.

6.7 Underwriting Agreement.

(a) Notwithstanding the provisions of this Article VI, to the extent that the Stockholders selling Registrable Shares in a proposed registration shall enter into an underwriting or similar agreement that contains provisions covering one or more issues addressed in such Sections of this Agreement, the provisions contained in such Sections of this Agreement addressing such issue or issues shall be of no force or effect with respect to such registration, but this provision shall not apply to the Company if the Company is not a party to the underwriting or similar agreement.

(b) If any registration pursuant to Sections 6.1 or 6.2 is requested to be an underwritten offering, the Company shall negotiate in good faith to enter into a reasonable and customary underwriting agreement with the underwriters thereof. The Company shall be entitled to receive indemnities from lead institutions, underwriters, selling brokers, dealer managers and similar securities industry professionals participating in the distribution, to the same extent as

provided above with respect to information so furnished in writing by such Persons specifically for inclusion in any Prospectus or Registration Statement and to the extent customarily given their role in such distribution.

(c) No Stockholder may participate in any registration hereunder that is underwritten unless such Stockholder agrees (i) to sell such Stockholder's Registrable Shares proposed to be included therein on the basis provided in any underwriting arrangements acceptable to the Company in the case of an offering of Primary Shares, or, in the case of a Demand Registration offering pursuant to Section 6.1 hereof, the Stockholder requesting Demand Registration pursuant to Section 6.2 and (ii) as expeditiously as possible, to notify the Company of the occurrence of any event concerning such Stockholder as a result of which the Prospectus relating to such registration contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

6.8 Information by Holder. Each holder of Registrable Shares to be included in any registration shall furnish to the Company and the managing underwriter such written information regarding such holder and the distribution proposed by such holder as the Company or the managing underwriter may reasonably request in writing and as shall be reasonably required in connection with any registration, qualification or compliance referred to in this Agreement.

6.9 Exchange Act Compliance. From and after the Registration Date or such earlier date as a registration statement filed by the Company pursuant to the Exchange Act relating to any class of the Company's Securities shall have become effective, the Company shall comply with all of the reporting requirements of the Exchange Act (whether or not it shall be required to do so) and shall comply with all other public information reporting requirements of the Commission but, in each case, only to the extent that such reporting requirements are conditions to the availability of Rule 144 for the sale of the Common Stock. The Company shall cooperate with each Stockholder in supplying such information as may be necessary for such Stockholder to complete and file any information reporting forms presently or hereafter required by the Commission as a condition to the availability of Rule 144.

ARTICLE VII
INFORMATION RIGHTS; CONFIDENTIAL INFORMATION

7.1 Financial Reporting. The Company shall deliver or otherwise make available to each Stockholder, through access on the Company's website or such other means determined by the Board:

(a) annual audited consolidated financial statements of the Company and its Subsidiaries, which shall be delivered or made available no later than 120 days after the end of the relevant fiscal year; and

(b) quarterly unaudited consolidated financial statements of the Company and its Subsidiaries, which shall be delivered or made available no later than 90 days after the end of the relevant fiscal quarter.

7.2 Confidential Information.

(a) Each Stockholder confirms that it is aware, and that its Representatives have been advised, that any information provided to such Stockholder by the Company hereunder (including pursuant to Sections 7.1 or 2.3) may constitute material non-public information regarding the Company or its securities and does and will constitute proprietary and confidential information of the Company and its Subsidiaries. Each Stockholder agrees to maintain the confidentiality of such information, to refrain from disclosing such information to any other Person, and to use the same degree of care as such Stockholder uses to protect its own confidential information to keep confidential any information furnished to it by the Company hereunder (so long as such information is not in the public domain, available on a non-confidential basis from a source other than the Company, independently developed by such Stockholder without use of such information or required to be disclosed by applicable law), except that such Stockholder may disclose such proprietary or confidential information to any accountant, attorney, consultant, partner, subsidiary or parent of such Stockholder solely for the purpose of evaluating its investment in the Company as long as such accountant, attorney, consultant, partner, subsidiary or parent is advised of the confidentiality and other provisions of this Section 7.2.

(b) The Company shall provide reasonable information to potential purchasers of Common Stock (other than competitors of the Company or its subsidiaries or Affiliates of such competitors), subject to execution of a confidentiality agreement in the form attached as Exhibit B (a "**Confidentiality Agreement**"). A Stockholder may directly share information with a potential purchaser (other than a competitor of the Company or its subsidiaries or an Affiliate of such competitor) provided that (i) the Stockholder first notifies the Company of the identity of the potential purchaser and (ii) such potential purchaser executes a Confidentiality Agreement, and an executed copy of such Confidentiality Agreement is promptly provided to the Company.

ARTICLE VIII
CERTIFICATES AND LEGEND

8.1 No Certificates. No certificates representing Shares shall be issued unless approved by the Board, and the Shares shall not be held through the facilities of The Depository Trust Company unless approved by the Board. The Company shall maintain, in its books or through a transfer agent selected by the Board, a book entry system for purposes of maintaining a register of Stockholders and recording the transfer of Shares.

8.2 Legend. Any certificate issued evidencing ownership of Shares shall be stamped or otherwise imprinted with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A STOCKHOLDERS' AGREEMENT DATED AS OF [_____], 2010 (AS AMENDED, MODIFIED, SUPPLEMENTED OR RESTATED FROM TIME TO TIME, THE "AGREEMENT"), AMONG THE ISSUER OF SUCH SECURITIES (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS. THE TERMS OF SUCH AGREEMENT INCLUDE, AMONG OTHER THINGS, RESTRICTIONS ON TRANSFERS. A COPY OF

THE AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

ARTICLE IX
AMENDMENT AND WAIVER

9.1 Amendment. Except as otherwise set forth herein, the terms and provisions of this Agreement may not be amended, modified, terminated, restated, supplemented or waived except pursuant to a writing signed by (a) each Principal Stockholder that has a Percentage Ownership of at least 5% or (b) Stockholders that collectively have a Percentage Ownership of at least 80%; provided, however, that Section 4.1 may not be amended, modified, terminated, restated, supplemented or waived so as to eliminate or modify any Stockholder's or group of Stockholders' right to designate members of the Board without the approval of such Stockholder or, in accordance with Section 4.1(c), group of Stockholders.

9.2 Waiver. No course of dealing between the Company and the Stockholders (or any of them) or any delay in exercising any rights hereunder will operate as a waiver of any rights of any party to this Agreement. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms.

ARTICLE X
TERMINATION

The provisions of this Agreement, except as otherwise expressly provided herein, shall terminate upon the first to occur of (a) the dissolution, liquidation or winding-up of the Company; (b) the consummation of an Initial Public Offering; and (c) the approval of such termination by the Stockholders in accordance with the approval provisions of Section 9.1; provided, that in the case of clause (b), all the provisions set forth in Article VI (and all definitions and "Miscellaneous" provisions related thereto) shall continue without interruption. Anything contained herein to the contrary notwithstanding, as to any particular Stockholder, this Agreement shall no longer be binding or of further force or effect as to such Stockholder, except as otherwise expressly provided herein, as of the date such Stockholder has Transferred all of such Stockholder's Shares in accordance with the terms hereof.

ARTICLE XI
MISCELLANEOUS

11.1 Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be

more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

11.2 Entire Agreement. This Agreement and the other agreements referred to herein and to be executed and delivered in connection herewith embody the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and thereof and supersede and preempt any and all prior and contemporaneous understandings, agreements, arrangements or representations by or among the parties, written or oral, which may relate to the subject matter hereof or thereof in any way.

11.3 Independence of Agreements and Covenants. All agreements and covenants hereunder shall be given independent effect so that if a certain action or condition constitutes a default under a certain agreement or covenant, the fact that such action or condition is permitted by another agreement or covenant shall not affect the occurrence of such default.

11.4 Successors and Assigns. Except as otherwise provided herein, this Agreement will bind and inure to the benefit of and be enforceable by the Company and its successors and permitted assigns and the Stockholders and any subsequent holders of Shares and the respective successors and permitted assigns of each of them, so long as they own Shares. No Stockholder may assign its rights hereunder in violation of this Agreement and any such attempted assignment shall be void *ab initio*.

11.5 Counterparts; Facsimile Signatures; Validity. This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by facsimile or otherwise) to the other party, it being understood that all parties need not sign the same counterpart. Any counterpart or other signature hereupon delivered by facsimile shall be deemed for all purposes as constituting good and valid execution and delivery of this Agreement by such party.

11.6 Remedies.

(a) Each Stockholder shall have (i) all rights and remedies reserved for such Stockholder pursuant to this Agreement, (ii) all rights and remedies which such holder has been granted at any time under any other agreement or contract and (iii) all of the rights which such holder has under any law or equity. Any Person having any rights under any provision of this Agreement will be entitled to enforce such rights specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law or equity.

(b) It is acknowledged that it will be impossible to measure in money the damages that would be suffered by any party hereto if any other Person party hereto fails to comply with any of the obligations imposed on it upon them in this Agreement and that in the event of any such failure, the aggrieved party will be irreparably damaged and will not have an adequate remedy at law. Any such aggrieved party shall, therefore, be entitled to equitable

relief, including specific performance, to enforce such obligations, and if any action should be brought in equity to enforce any of the provisions of this Agreement, none of the parties hereto shall raise the defense that there is an adequate remedy at law.

11.7 Notices. All notices, amendments, waivers or other communications pursuant to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, telecopied, sent by nationally recognized overnight courier or mailed by registered or certified mail with postage prepaid, return receipt requested, to the parties hereto at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Company, to:

Vertis Holdings, Inc.
_____
_____
_____
Telephone: (___) ____-_____
Facsimile: (___) ____-_____

(b) if to any Stockholder, to it at its address set forth on its signature page hereto, in any Joinder Agreement executed by such Stockholder or in the stock register maintained by the Company or its designated transfer agent.

Any such notice or communication shall be deemed to have been given and received (a) when delivered, if personally delivered; (b) when sent, if sent by telecopy on a Business Day (or, if not sent on a Business Day, on the next Business Day after the date sent by telecopy); (c) on the next Business Day after dispatch, if sent by nationally recognized overnight courier guaranteeing next Business Day delivery; and (d) on the fifth Business Day following the date on which the piece of mail containing such communication is posted, if sent by mail.

11.8 Governing Law; Jurisdiction. EXCEPT AS SET FORTH BELOW, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE DOMESTIC LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAWS OR PRINCIPLES THEREOF THAT WOULD CAUSE THE APPLICATION OF THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF DELAWARE. WITH RESPECT TO ANY LAWSUIT OR PROCEEDING ARISING OUT OF OR BROUGHT WITH RESPECT TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY, EACH OF THE PARTIES HERETO IRREVOCABLY (a) SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES FEDERAL AND DELAWARE STATE COURTS LOCATED IN THE COUNTY OF NEW CASTLE IN THE STATE OF DELAWARE; (b) WAIVES ANY OBJECTION IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDING BROUGHT IN ANY SUCH COURT; (c) WAIVES ANY CLAIM THAT SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM; AND (d) FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDINGS, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY.

11.9 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY OF ANY ACTION, PROCEEDING OR COUNTERCLAIM BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF. EACH OF THE PARTIES HERETO ALSO WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND THAT MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF THE OTHER PARTY. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT. EACH OF THE PARTIES HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED OR HAD THE OPPORTUNITY TO REVIEW THIS WAIVER WITH ITS RESPECTIVE LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH SUCH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

11.10 Further Assurances. Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments, and documents as any other party hereto reasonably may request in order to carry out the provisions of this Agreement and the consummation of the transaction contemplated hereby.

11.11 Third Party Reliance.

(a) Anything contained herein to the contrary notwithstanding, the covenants of the Company contained in this Agreement (i) are being given by the Company as an inducement to the Stockholders to enter into this Agreement (and the Company acknowledges that the Stockholders have expressly relied thereon) and (ii) are solely for the benefit of the Stockholders. Accordingly, no third party (including, without limitation, any holder of equity Securities who is not a Stockholder and any holder of any other Securities of the Company) or anyone acting on behalf of any thereof other than the Stockholders, shall be a third party or other beneficiary of such covenants and no such third party shall have any rights of contribution against the Stockholders or the Company with respect to such covenants or any matter subject to or resulting in indemnification under this Agreement or otherwise.

(b) None of the provisions hereof shall create, or be construed or deemed to create, any right to employment in favor of any Person by the Company or any of its Subsidiaries.

11.12 Status of Owners of Indebtedness. Notwithstanding anything to the contrary contained herein, nothing contained in this Agreement shall limit or impair any right or remedy of a Stockholder as an owner of any indebtedness issued by the Company or any of its Subsidiaries or impose any liability or obligation upon any Stockholder with respect to its

ownership of such indebtedness. Without limiting the generality of the foregoing, no such Person, in exercising its rights as a lender, including making its decision on whether to foreclose on any collateral security or exercising any other contractual or statutory remedies, will have any duty to consider (a) its status as a direct or indirect equityholder of the Company and its Subsidiaries, (b) the interests of the Company or any of its Affiliates or (c) any duty it may have to any other direct or indirect equityholder of the Company and its Subsidiaries.

****

IN WITNESS WHEREOF, the undersigned have duly executed this Stockholders' Agreement as of the date first written above.

VERTIS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

STOCKHOLDERS:

EXHIBIT A
JOINDER AGREEMENT

The undersigned is executing and delivering this Joinder Agreement pursuant to the Stockholders' Agreement dated as of [_____] (as amended, modified, restated or supplemented from time to time, the "Stockholders' Agreement"), among Vertis Holdings, Inc., a Delaware corporation (the "Company"), and its stockholders named therein.

By executing and delivering this Joinder Agreement to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Stockholders' Agreement in the same manner as if the undersigned were an original signatory to such agreement.

The undersigned acknowledges and agrees that the undersigned shall be a "Stockholder", as such term is defined in the Stockholders' Agreement.

Accordingly, the undersigned has executed and delivered this Joinder Agreement as of _____.

_____
Signature of Stockholder

_____
Printed Name of Stockholder

_____

_____

_____
Address

_____
Facsimile

_____
Telephone

EXHIBIT B
CONFIDENTIALITY AGREEMENT

[To come]

EXHIBIT B
CONFIDENTIALITY AGREEMENT

The undersigned (the "Recipient") is executing and delivering this Confidentiality Agreement (this "Agreement") to and for the benefit of Vertis Holdings, Inc. (the "Company").

WHEREAS, the Recipient is contemplating a transaction (the "Potential Transaction") pursuant to which the Recipient would purchase shares of common stock ("Shares") of the Company from the stockholder of the Company identified on the signature page hereto (the "Potential Transferor");

WHEREAS, pursuant to Section 7.2(b) of the Stockholders' Agreement dated [_____] among the Company and its stockholders, the execution and delivery of this Agreement is a condition to the Company's and/or the Potential Transferor's provision of information to a potential purchaser of Shares;

NOW THEREFORE, in consideration of the covenants and conditions set forth herein, the Recipient hereby agrees, for the benefit of the Company, as follows:

1. The terms of this Agreement shall become effective upon execution and shall terminate on the date that is 18 months after the date hereof. Notwithstanding anything to the contrary in this Agreement, the Company shall have no obligation to provide any Confidential Information (as defined below) to the Recipient hereunder.

2. "Confidential Information" means information that is non-public, confidential or proprietary in nature, including, without limitation, (i) all information (whether in written, verbal or electronic form) that is furnished to the Recipient or its Representatives by or on behalf of the Company or the Potential Transferor, including materials, agreements, documents, data, reports, interpretations, forecasts, projections, records and other information concerning the business, assets, properties, liabilities, financial condition, results of operations, management, employees, forecasts, prospects, plans or operations of the Company or its affiliates or otherwise in connection with the Potential Transaction, whether furnished before or after the date of this Agreement, and (ii) any notes, reports, analyses, compilations, forecasts, data, studies or other documents prepared by the Recipient or its Representatives (as defined below) containing or based, in whole or in part, on such information. Notwithstanding the foregoing, the term "Confidential Information" does not include information which: (A) is already in the Recipient's possession; provided, however, that the source of such information was not, to the knowledge of the Recipient or any of its Representatives, bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Company, the Potential Transferor, their respective affiliates or any other person with respect to such information, (B) is or becomes generally available to the public on a non-confidential basis, (C) becomes available to the Recipient on a non-confidential basis from a source other than the Company, the Potential Transferor or their respective affiliates or Representatives that, to the knowledge of the Recipient or any of its Representatives, is not bound by a confidentiality agreement with, or other obligation of confidentiality to, the Company, its affiliates or any other person with respect to such information, or (D) is independently developed by the Recipient not in violation of this Agreement and without the use of any Confidential Information.

3. As a condition to the Recipient or its Representatives receiving any Confidential Information, the Recipient agrees to treat as confidential any Confidential Information furnished by or on behalf of the Company, the Potential Transferor or their respective affiliates to the Recipient or its directors, officers, members, partners, employees, attorneys, advisors, agents, affiliates (if applicable), sub-funds, alternative investment funds, affiliate investment funds, investment advisory clients (if applicable) or representatives (including attorneys, accountants, financial advisors and consultants) (collectively, "Representatives").

4. The Recipient hereby agrees that the Confidential Information will only be used for the purpose of an evaluation of the Potential Transaction, will not be used by the Recipient in any way detrimental to the Company, will be kept confidential by the Recipient and will not be disclosed to or discussed with any third party, except as otherwise provided herein. The Confidential Information may be disclosed: (i) to the Recipient's Representatives who need to know the information contained therein for purposes of advising the Recipient with respect to the Potential Transaction and agreeing to the provisions contained herein; (ii) to the extent that the Company consents in writing; or (iii) pursuant to subpoena or court process of a court of competent jurisdiction or as otherwise compelled by applicable law or legal process, in each case, subject to the provisions set forth below; provided, however, notwithstanding anything to the contrary herein but subject to the last sentence of this paragraph, the Recipient will provide, to the extent permitted by applicable law, regulation or legal or regulatory process, the Company with prompt written notice of such request or requirement so that the Company, at its sole cost and expense, may seek a protective order or other appropriate remedy and, if and to the extent requested by the Company, the Recipient and its Representatives will reasonably cooperate with the Company's efforts, at the Company's sole cost and expense, to obtain the same, unless such notice or cooperation, as the case may be, would itself constitute a violation of any law, rule, regulation, governmental or self-regulatory regulation or other judicial, administrative or legal process. If, absent the entry of such a protective order or other remedy, the Recipient or such Representative is advised by its counsel that it is compelled to disclose Confidential Information, the Recipient or such Representative may disclose that portion of the Confidential Information that the Recipient or such Representative is compelled to disclose and will exercise commercially reasonable efforts to obtain assurance that confidential treatment will be accorded to that portion of the Confidential Information that is being disclosed and any reasonable costs associated with obtaining such assurance will be paid by the Company. Notwithstanding anything to the contrary herein, the Recipient and its Representatives may disclose the Confidential Information to its regulators upon the request of such regulators (whether such request is general or specific) (A) without prior notice to the Company to the extent notice to the Company is not permitted by law, rule or regulation, (B) whether or not a protective order has been obtained, and (C) whether or not assurance has been obtained that confidential treatment will be afforded the Confidential Information so long as the Recipient or its Representative exercises commercially reasonable efforts to obtain such assurance (at the Company's sole cost and expense) prior to disclosing such Confidential Information.

5. The Recipient shall ensure that each of its Representatives who are either provided with Confidential Information, or otherwise have access to such Confidential Information, are informed of its confidential nature and are bound by the terms of this

Agreement. The Recipient agrees to be liable for any breach of this Agreement by any of its Representatives. The Recipient agrees to promptly notify the Company in writing in the case of any breach or threatened breach of the provisions of this Agreement by any of its Representatives.

6. Within five (5) days after being so requested in writing by the Company, the Recipient shall, and shall cause each of its Representatives to use its commercially reasonable efforts to, either return to the Company or destroy all Confidential Information (whether in written form, electronically stored or otherwise), without retaining any copies, summaries or extracts thereof, except to the extent necessary to comply with applicable law, rule, regulation or regulatory authority provided that such copies will be held by the Recipient and its Representatives and kept confidential subject to the terms of this Agreement.

7. The Recipient acknowledges that it is aware (and, if applicable, that its Representatives who are apprised of this matter have been advised) that the United States securities laws prohibit any person who has material non-public information about a company from purchasing or selling securities of such company, or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

8. It is understood and agreed that money damages may not be a sufficient remedy for any breach or threatened breach of this Agreement and that the Company shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach or threatened breach to the extent permitted by law without proof of actual damages or the posting of any bond. In the event that such equitable relief is granted, such remedy or remedies shall not be deemed to be the exclusive remedy or remedies for breach or threatened breach of this Agreement, but shall be in addition to all other remedies available at law or equity to the Company.

9. This Agreement is for the benefit of the Company, and is governed by the laws of the State of New York without regard to its conflict of laws principles. In case of any dispute related to this Agreement, the Recipient agrees (i) to submit to personal jurisdiction in [_____], (ii) that exclusive jurisdiction and venue shall lie in [_____] and (iii) that notice may be served upon the Recipient at the address set forth on the signature page hereto.

10. If any portion of this Agreement shall be declared invalid or unenforceable, the remainder of this Agreement shall be unaffected thereby and shall remain in full force and effect.

11. This Agreement may be modified or waived only by a separate writing executed by the Company and the Recipient. No course of dealing between the parties shall be deemed to modify or amend any provision of this Agreement and no delay by the Company in the exercise (or partial exercise) of any of its rights and remedies shall operate as a waiver thereof.

12. The Recipient (i) acknowledges and agrees that neither the Company nor any of its Representatives make any representation or warranty hereunder, either express or implied, as

to the accuracy or completeness of any Confidential Information, and (ii) agrees, to the fullest extent permitted by law, that neither the Company nor any of its subsidiaries or Representatives shall have any liability to the Recipient or its Representatives on any basis (including, without limitation, in contract, tort, under federal or state securities laws or otherwise) as a result of the review by the Recipient or its Representatives or the use of the Confidential Information by the Recipient or its Representatives in accordance with the provisions of this Agreement.

13. Any request by the Recipient or its Representatives to review Confidential Information must be directed to either (i) a person designated by the Potential Transferor or (ii) the Chief Financial Officer of the Company or his or her designee (the "Company Contact Person"). The Recipient agrees not to contact any other person from the Company or any Representative of the Company without the prior consent of the Company Contact Person with regard to reviewing Confidential Information.

15 Any notice hereunder shall be made in writing, by first class mail, by overnight courier or by facsimile with original copy to follow by first class mail or overnight courier to:

If to the Company, to:
Vertis, Inc.
250 West Pratt Street
Baltimore, Maryland 21201
Attention: Chief Financial Officer

If to the Recipient, to its address specified on the signature page hereto.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Recipient has executed and delivered this Agreement as of the ____ day of _____.

_____
Signature of Recipient

_____
Printed Name of Recipient

Address and Facsimile Number:

_____
_____
_____
_____
_____

Name of Potential Transferor:

_____

EXHIBIT B
Notice of Confirmation and Effective Date

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& FLOM LLP
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New York, New York 10036
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Counsel for Debtors and
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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
VERTIS HOLDINGS, INC., *et al.*,	:	Case No. 10-16170 (ALG)
Debtors.	:	(Jointly Administered)

NOTICE OF (I) CONFIRMATION OF AMENDED JOINT PREPACKAGED CHAPTER 11 PLAN OF VERTIS HOLDINGS, INC., ET AL. UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, (II) THE OCCURRENCE OF THE EFFECTIVE DATE AND (III) DEADLINE FOR FILING APPLICATIONS FOR PROFESSIONAL FEES

PLEASE TAKE NOTICE that on December ___, 2010, this Court entered the Findings of Fact, Conclusions of Law and Order (I) Approving (A) the Disclosure Statement Pursuant to Sections 1125 and 1126(c) of the Bankruptcy Code, (B) Solicitation of Votes and Voting Procedures, and (C) Forms of Ballots, and (II) Confirming the Amended Joint Prepackaged Chapter 11 Plan of Vertis Holdings, Inc. et al. (the "Confirmation Order") [Docket No.] in the chapter 11 cases of the above-captioned debtors and debtors in possession (the "Debtors")[1]. Pursuant to the Confirmation Order, this Court confirmed the Amended Joint

[1] 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); and Webcraft Chemicals, LLC (6726).

Prepackaged Chapter 11 Plan of Vertis Holdings, Inc., et al (the "Plan")[2], which confirmed Plan was attached to the Confirmation Order as Exhibit A.

PLEASE TAKE NOTICE that on December [_], 2010, the Effective Date under the Plan occurred.

PLEASE TAKE FURTHER NOTICE THAT, pursuant to the Confirmation Order, each professional person or firm retained by order of the Court or requesting compensation in the chapter 11 cases pursuant to sections 327, 328, 329, 330, 331, or 1103 of the Bankruptcy Code, other than professionals that the Debtor is authorized to pay in the ordinary course of business, must file and serve an application for an allowance of final compensation and reimbursement of expenses incurred through the Effective Date no later than January ___, 2011.

PLEASE TAKE FURTHER NOTICE that copies of the pleadings filed in these chapter 11 cases can be obtained by using the Bankruptcy Court's electronic case filing system at www.nysb.uscourts.gov using a PACER password (to obtain a PACER password, go to the PACER website, http://pacer.psc.uscourts.gov) or on the website maintained by the Debtors' proposed claims agent at http://www.kccllc.net/vertis.

[2] Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Plan.

Dated: New York, New York
December [_], 2010

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: _____

Mark A. McDermott
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Four Times Square
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